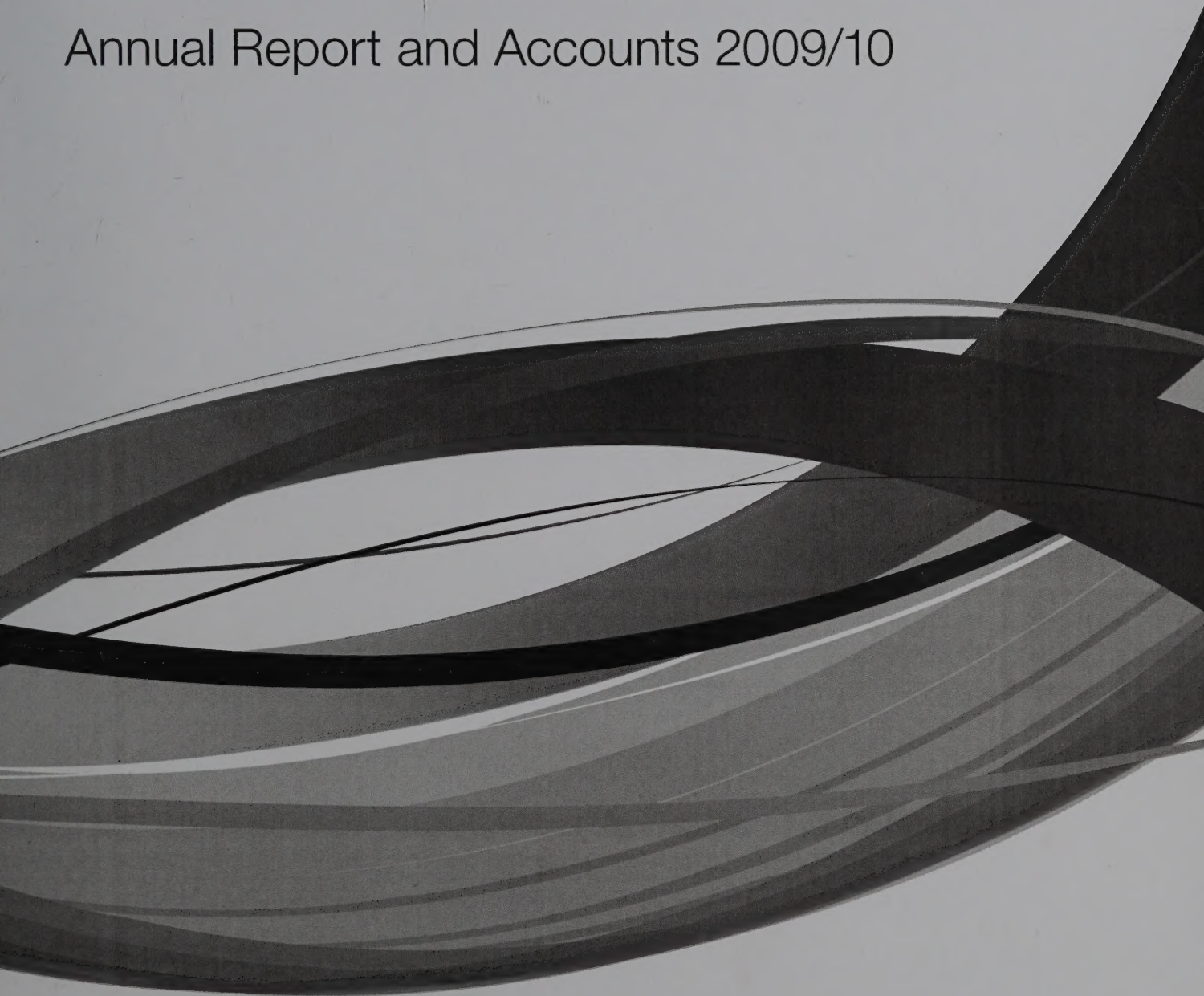


# Human Fertilisation and Embryology Authority

Annual Report and Accounts 2009/10





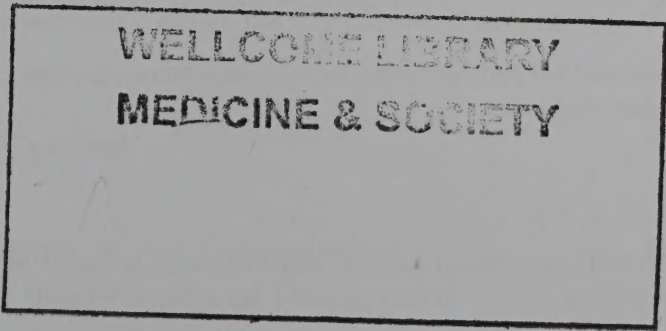
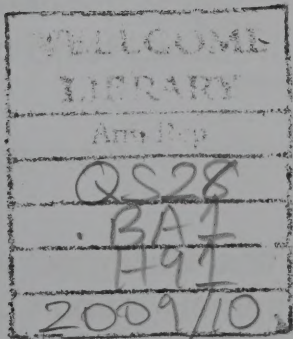
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# Human Fertilisation and Embryology Authority

## Annual Report and Accounts 2009/10

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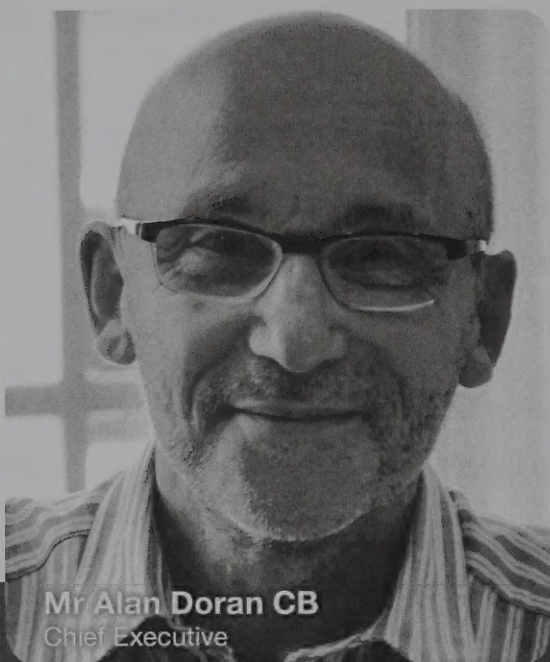
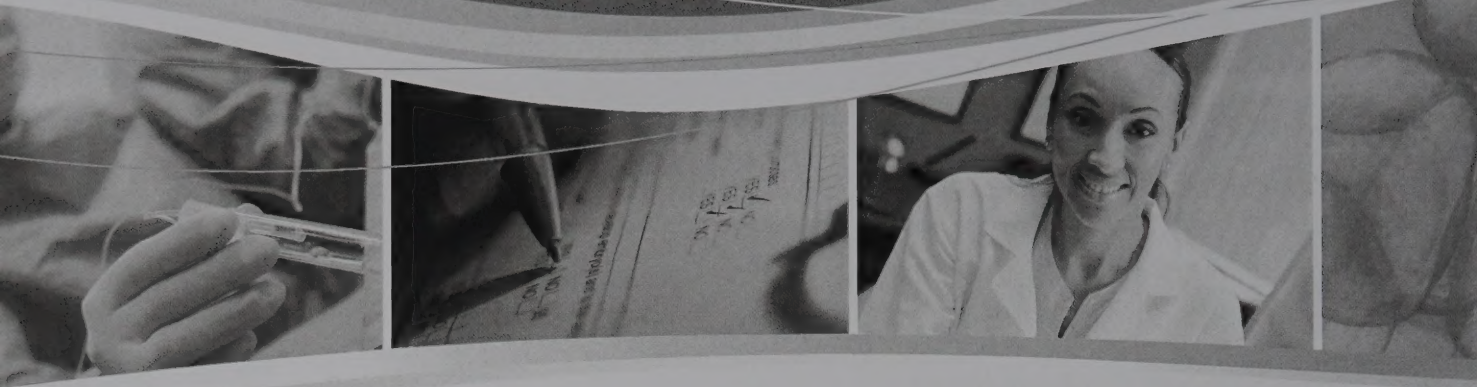
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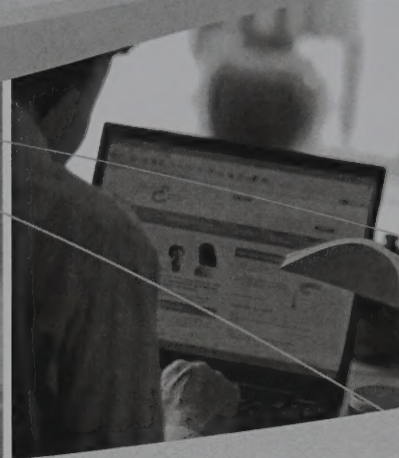
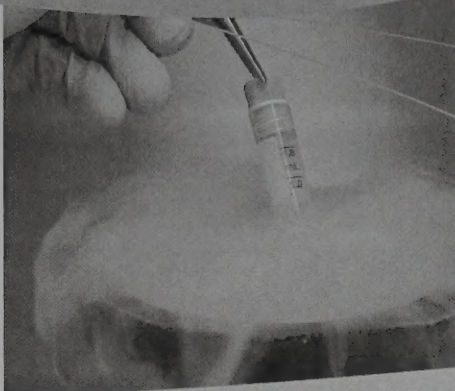
**Mr Alan Doran CB**  
Chief Executive



**Professor Lisa Jardine CBE**  
Chair

“Safety and quality of care  
are first on our list  
of priorities.”





## Chair & Chief Executive's Foreword

The Human Fertilisation and Embryology Authority (HFEA) regulates areas of science and medicine which are always subject to rapid change, but this year has been much busier than usual for our staff and for the centres we regulate.

Our main challenge has been to develop a raft of new policies to support the revised regulatory framework introduced by new HFE legislation. We introduced our 8th Code of Practice, alongside new consent forms and guidance. We developed a new approach to inspection and licensing. We overhauled the data that we publish on our website to provide more in depth information about treatments for patients, clinicians and researchers. HFEA staff met these challenges with energy and skill, setting high standards for themselves and those we regulate.

The new legislation also brought significant challenges for the fertility sector and we are developing a more mature and purposeful dialogue with our stakeholders about the benefits of regulation and the practicalities of implementing new policies. We have made great efforts to ensure that our stakeholders understand the new requirements and we have supported clinics in their efforts to make changes to the way they operate. We held a series of workshops around the country where clinicians and other clinic staff had the opportunity to find out more about the changes they needed to make.

We have made significant improvements to our own systems, revising and streamlining many of our procedures. We have taken great care to ensure that safety and quality of care are first on our list of priorities. We have continued our work to reduce the number of multiple pregnancies following fertility treatment, and we have embarked on a review of donation policies. These will lead to further benefits in the year ahead.

**Mr Alan Doran CB**  
Chief Executive

**Professor Lisa Jardine CBE**  
Chair







02

# Management Commentary





# Management Commentary

## About the Human Fertilisation and Embryology Authority (HFEA)

### Purpose

We are the UK's independent regulator of treatment using eggs and sperm, and of treatment and research involving human embryos. We set standards for, and issue licences to, centres. We provide authoritative information for the public, in particular for people seeking treatment, donor-conceived people and donors. We determine the policy framework for fertility issues, which are sometimes ethically and clinically complex.

### Principles

1. We treat people and their information with sensitivity, respect and confidentiality
2. We observe the highest standards of integrity and professionalism in putting into effect the law as it governs our sector<sup>1</sup>
3. We consult widely - listening to and learning from those with an interest in what we do
4. We keep abreast of scientific and clinical advances
5. We exercise our functions consistently, proportionately, openly and fairly.

### Functions

In November 2008, the Human Fertilisation and Embryology Bill received Royal Assent. The majority of the resulting Act came into force in October 2009.

Since then, the HFEA has been required to have regard to two primary sets of legislation:

- The Human Fertilisation and Embryology Act 1990 (as amended) – we generally refer to this as “the 1990 Act (as amended)”; and
- The Human Fertilisation and Embryology Act 2008 (“the 2008 Act”).

Primarily, the 2008 Act is amending legislation. It extensively amends the provisions of the 1990 Act, which will continue to form the main framework governing the duties and responsibilities of the HFEA. However, the 2008 Act also contains new provisions which were not originally in, and have not been inserted into, the 1990 Act. In particular, these include provisions relating to legal parenthood.

The 1990 Act (as amended) gives the HFEA a number of statutory functions:

- To keep a formal register of information about donors, treatments and children born as a result of those treatments
- To license and inspect clinics carrying out in vitro fertilisation and donor insemination treatment
- To license and inspect establishments undertaking human embryo research

1. The ‘sector’ refers to the assisted reproduction/fertility sector and all the treatment clinics, storage centres and research establishments within it.



- To license and inspect the storage of gametes (eggs and sperm) and embryos
- To maintain a formal register of licences granted
- To produce and maintain a Code of Practice, providing guidance to clinics and research establishments about the proper conduct of licensed activities
- To maintain a register of certain serious adverse events or reactions (this relates to certain specific activities, which are set out in the amended Act)
- To investigate serious adverse events and serious adverse reactions, and to take appropriate control measures
- To respond to any request from a competent authority in another European Economic Area (EEA) state to carry out an inspection relating to a serious adverse event or reaction, and to take any appropriate control measures
- To collaborate with the competent authorities of other EEA states.
- Carrying out its functions effectively, efficiently and economically
- Reviewing information about:
  - Human embryos and developments in research involving human embryos
  - The provision of treatment services and activities governed by the 1990 Act (as amended)
  - Advising the Secretary of State for Health on developments in the above fields, upon request.

The HFEA also functions as the competent authority for the European Union Tissues and Cells Directive, regulating the donation, procurement, testing, processing, preservation and distribution of human tissue and cells for human application.

In addition to these specific statutory functions, the legislation also gives the HFEA some more general functions, including:

- Publicising the HFEA's role and providing relevant advice and information to the donor-conceived, donors, clinics, research establishments and patients
- Promoting compliance with the requirements of the 1990 Act (as amended), the 2008 Act and the Code of Practice
- Maintaining a statement of the general principles that should be followed by the HFEA when conducting its functions, and by others when carrying out licensed activities
- Observing the principles of best regulatory practice, including transparency, accountability, consistency, and targeting regulatory action where it is needed

# Current Operating Context

In the 2009/10 business year we completed a programme of organisational development, aimed at embedding the legislative changes which came into force during the year and instilling best practice into our business processes to support this.

The HFEA commenced its change management programme, called Programme 2010, in the previous business year (2008/09). This was designed to lead the organisation through the changes needed in order to establish the right structures, behaviours and processes to deliver an effective regulatory system under the 1990 Act (as amended).

This work continued throughout the 2009/10 business year. By the end of the year the resulting changes, new processes and policies had been put in place to become part of our normal infrastructure and ways of working.

The following diagram shows the HFEA's staffing structure under the new model:



The business plan for the 2010/11 business year focuses on four key areas:

- We will need to complete the introduction of the new regulatory and licensing framework by embedding, refining and evaluating the new processes.
- We will aim to improve the transparency, range and quality of information the HFEA provides to the public and to others with an interest in data we hold or publish.
- We will continue to ensure through our policy development work that leading edge issues in the science and regulation of the fertility field are addressed in an evidence-based manner, and that the policies we have in place successfully promote best practice in treatment and research, leading to improved outcomes.
- We will review elements of our corporate governance so as to improve the organisation's financial, workforce and governance frameworks. Alongside this, we will respond as needed to the Department of Health's review of Arm's Length Bodies (ALBs), which commenced in February 2010.



# Longer Term Goals

In April 2010, the HFEA published a new three year corporate strategy, setting out five broad strategic objectives which were identified through extensive Authority and staff discussions during the preceding 2009/10 business year. The strategic objectives set out our major aspirations for the medium-term future. The discussions on this have been framed by consideration of a wide range of issues and drivers, such as:

- Techniques for treatment
- Advances in science and genetics
- Social views and social change
- The nature of those treated (and other stakeholder groups)
- The role of regulators generally, and the regulatory environment (e.g. with respect to quality and service improvement)
- Responding to the external environment.

The HFEA's strategic objectives for the next three years are:

## 1. Role and boundaries

To develop a clearly defined and mutual understanding of our role, and the boundaries between ourselves and other regulators, research-focused organisations, patient organisations and professional bodies in related fields.

## 2. Meeting the needs of existing fertility service users and stakeholder groups

To identify and address more fully the needs of fertility service users before, during and after treatment.

## 3. Identifying and addressing the needs of new and emergent stakeholder groups

To identify and start to address the needs of new or emergent stakeholder groups including donor-conceived people, fertile people seeking fertility treatment, and researchers.

## 4. HFEA data used for research purposes

To monitor and improve consent rates for using data for research purposes, and to give active consideration to the nature and outcomes of the research conducted.

## 5. Improving organisational performance

To enhance organisational performance and governance through operational efficiencies, improved regulatory effectiveness and better information management.

The HFEA's full corporate strategy for 2010/13 can be found at [www.hfea.gov.uk/148.html](http://www.hfea.gov.uk/148.html)

# Meeting Key Challenges

## Better Regulation and Regulatory Compliance

### Addressing Legislative Changes

In preparation for the changes to the 1990 Act, the HFEA had previously put in place a major change programme, Programme 2010. Through this programme, which continued into the 2009/10 business year, we were able to run a series of projects to put new systems and processes in place, ready for the implementation of the revised Act, alongside the delivery of our normal work.

### New Licensing and Appeals Processes

In preparation for the legislative amendments, the HFEA developed new licensing and appeals processes, including new directions and licence conditions. An Executive Licensing Panel was established to handle all routine and uncontentious licensing decisions (an arrangement that will be reviewed by the Authority after a year), and an Appeals Committee consisting of external members was formally constituted.

### New Compliance Cycle and Quality Improvements

We contributed as needed to the finalisation of Regulations governing HFEA regulation and compliance activities. We reviewed our inspection processes, and started to develop a full Quality Management System (QMS), initially for the Compliance Directorate, with clear Standard Operating Procedures (SOPs). This work is ongoing into the next business year. We developed a new risk tool to assist us in determining inspection priorities, and further developmental work on the risk tool will continue in the next business year. The Person Responsible Entry Programme (PREP) was also revised and aligned with the new requirements.

We reviewed aspects of research regulation and licensing to ensure that we were prepared for newly licensable activities (research involving admixed embryos or alteration of the genetic structure of embryonic cells). A specific licensing process, with documentation and guidance, was also developed for centres where embryos may be used for training purposes.

Alongside all of these projects we delivered our normal annual inspection and licensing programme.

### Joint Working and Relationships with Other Agencies

The HFEA continued to maintain good working relationships with regulators and other agencies to ensure that investigations and inspections could be carried out jointly when possible, in keeping with the Concordat (a voluntary agreement between organisations that regulate, audit, inspect or review elements of health and healthcare in England). We also continued to participate in the European Union Standards and Training in the Inspection of Tissue Establishments (EUSTITE) project to establish Europe-wide inspection standards.

### Hampton Review and Better Regulation

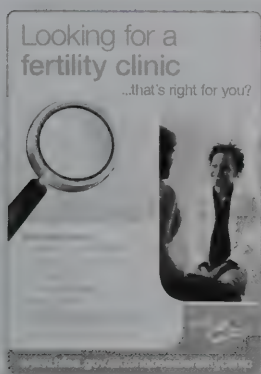
The Hampton Review<sup>2</sup> report about regulation, inspection and enforcement at the HFEA was published in December 2009<sup>3</sup>. The Authority began to consider the recommendations in the report at its January 2010 meeting, and further work will follow from this. Recognising and implementing improvements will help to ensure the HFEA is eligible for increased powers under the Regulatory Enforcement and Sanctions Act 2008, if the Authority chooses to seek these at some time in the future.

Throughout the year, we also continued to meet the requirements of the Better Regulation agenda, providing required information on regulatory impact and budgets, and contributing to Department of Health simplification plans as needed.

2. This was one of a series of reviews of regulatory bodies focusing on the assessment of regulatory performance against the Hampton principles and Macrory characteristics of effective inspection and enforcement. It was carried out by a review team drawn from the Better Regulation Executive, Companies House and Natural England, in April 2009. Further information about the reviews can be found at [www.bis.gov.uk/policies/better-regulation/improving-regulatory-delivery/assessing-our-regulatory-system](http://www.bis.gov.uk/policies/better-regulation/improving-regulatory-delivery/assessing-our-regulatory-system)
3. The HFEA's Hampton Review report can be viewed online at: [www.berr.gov.uk/files/file53852.pdf](http://www.berr.gov.uk/files/file53852.pdf).



# Information Provision and Usage



## Choose a Fertility Clinic

The HFEA publicly consulted on and then reviewed its publication of clinic information and performance data. As a result, more national data is available on the HFEA's website, and a revised version of 'Find a Clinic', now called 'Choose a

Fertility Clinic' was published. This provides more performance information for the sector and for patients. In addition a one year national data analysis has been produced and quarterly updates of outcome data and early pregnancy rates are made available through Choose a Fertility Clinic (CaFC).

## HFEA ID

The HFEA ID is intended as a unique identifier applied to individuals whose data is held on the HFEA Register. The HFEA ID enables us to track individuals across different licensed clinics, avoid duplicates and enhance the integrity of register data. The HFEA ID has been applied retrospectively to all donor information. Work is ongoing to apply the HFEA ID to patient information.

## Online Information

Online access to HFEA forms and information for centres has been improved, with the introduction of an online portal for centres and online application forms for licenses, preimplantation genetic diagnosis (PGD) and imports/exports. More online applications will follow, streamlining interaction between the HFEA and the centres it regulates.

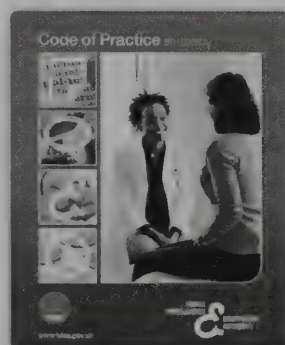
## Access to Register Information

A revised policy on opening up access to Register information to donors, donor-conceived people and their parents was put in place to address new information access rights created by the 1990 Act (as amended).

A voluntary sibling contact register for donor-conceived people - known as Donor Sibling Link (DSL) - has been developed, enabling individuals who have opted in to this facility to supply certain personal details which the HFEA may then disclose to genetic siblings on request.

We also addressed new statutory requirements to disclose Register data to researchers. The new Regulations were finalised through Parliament just before the end of the business year, and we have in place a policy on the release of Register data for research purposes, with appropriate consent arrangements. The Authority will have an oversight role.

# Policy Development and Implementation



## Code of Practice 8th Edition

A comprehensive review of the format, effectiveness and content of the Code of Practice was conducted, informed by feedback from a public consultation exercise in early 2009.

The new 8th edition of the Code of Practice was published in July 2009 and came into effect in October, when the revised Act was implemented. The Code is accompanied by a guide to inspection and licensing for clinic staff, and revised consent forms reflecting the requirements of new legislation and HFEA policies.

This new edition of the Code specifies which requirements of the sector are mandatory and which are best practice guidance, as well as giving greater clarity for the sector about what constitutes a breach of the Act, and how the HFEA will deal with such a breach. Guidance for centres on the provision to patients of written costed treatment plans has been included in the Code, to ensure that patients receive clearer information about expected treatment costs. Information workshops for clinics and for inspectors were held to ensure understanding and awareness of the new requirements.

In developing new policies for the Code of Practice, diversity issues were considered and equality impact screening and assessments were undertaken where relevant.

Going forward, equality and diversity concerns will form a necessary part of developing new policies, for example as part of our review of donations policy.

## Multiple Births and Single Embryo Transfer

The HFEA continued with its work to reduce the incidence of multiple births at all centres, monitoring and analysing multiple birth and pregnancy rates, and using information gained from inspections to help evaluate the effectiveness of the policy to date. In January 2010, the Authority set a second year upper limit of 20% as the new maximum multiple birth rate target for centres in 2010/11.

## PGD Licensing

Clear criteria and a licensing decision-making process were put in place for PGD decisions made by Licence Committees, to ensure such decisions are consistent. The licensing on a case-by-case basis of certain PGD decisions was also considered. In January 2010 the Authority decided to cease case-by-case decision making for lower penetrance conditions, but endorsed its continued use for PGD/Human Leukocyte Antigen (HLA)<sup>4</sup>, cases. New guidance was also adopted on non-disclosure testing<sup>5</sup>, in cases where patients wish not to find out their own genetic status.

## SEED Evaluation and Donation Review

The practical impacts for clinics, donors and patients of the sperm, egg and embryo donation (SEED) policies stemming from the 2005/06 SEED review were evaluated. As a result of this review, in December 2009 the Authority was able to choose a number of donation policies which need to be more fundamentally reviewed in light of possible new evidence or changed social attitudes. The resulting policy work, including a programme of consultation, will be delivered throughout 2010/11.

## Other Policy Development Work

The Authority continues to consider scientific and ethical matters through its Scientific and Clinical Advances Advisory Committee (SCAAC) and Ethics and Law Advisory Committee (ELAC). An annual horizon scanning exercise, involving an external panel of experts, was carried out to help the HFEA identify and anticipate emerging research and treatments.

This work assists in planning for future policy development and licensing needs and supports evidence-based decision-making by the Authority. ELAC is considering operating a similar annual horizon scanning exercise on upcoming legal and ethical issues, and in February 2010 held its first horizon scanning conference to discuss fertility treatment abroad and to identify other future key issues for consideration.

## Communication and Dialogue

Joint working, dialogue and ongoing contact with key professional stakeholders and patient groups were maintained throughout the year. These included the British Fertility Society, the Infertility Network, the Donor Conception Network, the National Gamete Donation Trust, the Royal College of Nursing Fertility Nurses Group, the Human Genetics Commission, the British Infertility Counselling Association and the Project Group on Assisted Reproduction. The HFEA's own Licensed Centres Panel met three times during the year.

The HFEA has continued to consult and engage widely with the public during the development and implementation of new policies, in order to increase public understanding of the HFEA's work and current issues in fertility treatment and research.

The HFEA did not carry out any patient surveys this year, instead choosing to consult with patients in a number of public meetings, phone interviews and user testing sessions.

4. Further background information on PGD/HLA can be found at [www.hfea.gov.uk/5602.html](http://www.hfea.gov.uk/5602.html)

5. Further background information on these decisions and the scientific terminology can be found at [www.hfea.gov.uk/5602.html](http://www.hfea.gov.uk/5602.html)



## Parliamentary Questions

The HFEA assisted Department of Health officials with 144 parliamentary questions (PQs) during the year. The themes of the questions varied, although broadly the focus was on the following: the derivation of stem cells from embryos; hybrid embryo research; the donation of eggs for research projects; witnessing guidance provided by the HFEA for licensed centres; and the Hampton review.

## Equipping the Organisation for the Delivery of Revised Legislation

### Operational Infrastructure

The Programme 2010 work has produced an operating model that equips the HFEA for the fulfilment of its future role. This year we have embedded programme and project management into the organisation as an effective way of managing cross-organisational projects.

We also began initial work towards the development of a new fee structure that will equip the HFEA financially to carry out its business. Further work will be done in the coming business year to improve the HFEA's understanding and quantification of all the unit costs associated with our regulatory activities.

### Processes to Deliver New Legislation

Most of our internal procedures were reviewed as part of the change management process. HR policies, IT processes, workflow models, financial and accounting procedures and quality management have all been improved or introduced throughout the year.

Further internal work will be initiated following on from our Hampton review, to ensure that the HFEA meets the requirements of the Regulators' Compliance Code.

## Developing the HFEA's Workforce

The HFEA has provided training and induction for all staff and Authority Members, including an introduction to the revised licensing processes, training for inspectors in new methods and tools, ongoing legal training, and the introduction of a formal system of appraisal for Members, to make better use of their skills. Appeals Committee Members have also been trained to perform their new roles.

## Improving Internal Procedures

### Information Governance and Document Management

Information governance processes were reviewed and improved to ensure that Cabinet Office security requirements were adequately addressed. This included mandatory training for all staff, and particularly Information Asset Owners<sup>6</sup>. Ongoing training in the HFEA's electronic document management system (TRIM) was established to ensure that all staff remain proficient in its use. A programme of training for all staff in Freedom of Information (FOI) requirements and request handling was also established, to ensure that FOI requests are dealt with appropriately and within time limits.

Work on improving our document management practices commenced with a thorough stock-take of documents currently held in the building. Version control was put in place for relevant document types. There will be a larger project on records management in the coming business year.

Much of the project work delivered during the year involved the development of workflow processes to improve the ways in which internal administration and task management are accomplished.

6. Information Asset Owners are senior officers responsible for managing the information held and controlling its associated risks.

# Summary Data for the Year 2009/10

The type and volume of business handled by the HFEA

	2008/09	2009/10
Total number of active clinics and research establishments	139	138
Clinics and research establishments inspected	95	83
Number of licences inspected	128	97
New licence applications processed and presented to a Licence Committee	7	6
Licence renewals processed and presented to a Licence Committee/Executive Licensing Panel	65	52
Applications for Preimplantation Genetic Diagnosis (PGD) with Human Leukocyte Antigen (HLA) processed and presented to a Licence Committee/Executive Licensing Panel	42	25
New Preimplantation Genetic Diagnosis (PGD) applications processed and presented to a Licence Committee	51	52
Number of incident reports from centres processed	7	494 <sup>8</sup>
Number of alerts issued	3	2
Number of complaints about centres processed	63	45
Licensed Centres Panel meetings held	3	3
Meetings held with Patient Organisations	2	2
Public and stakeholder consultation meetings (of which six were organised by external bodies but where HFEA played an important part 2009/10)	47	30
Freedom of Information (FOI) requests dealt with	113	133
Environmental Information Regulations (EIR) requests dealt with	0	0
Opening the Register requests received	72	90
Opening the Register requests closed	74	91
Enquiries responded to under the Data Protection Act	6	4
Parliamentary Questions responded to	93	144
Number of Authority meetings held (including three open to the public)	8	7
Phone enquiries from patients and the general public	10,712	4,781 <sup>9</sup>
Email enquiries from patients and the general public	10,026	6,073 <sup>10</sup>
Number of visits to the HFEA website	503,991	558,780

7. The collation of this information did not commence until 2009/10.

8. Of the 494 incident reports received from centres, once processed, 21 of these did not fall within the definition of an HFEA incident as per the Code of Practice 8th Edition Guidance Note 27 as at [www.hfea.gov.uk/3476.html](http://www.hfea.gov.uk/3476.html)

9. The decrease in phone enquires for 2009/10 was as a result of the updated website.

10. The decrease in email enquires for 2009/10 was as a result of the updated website.



## Knowledge and Information Management

The HFEA continued to use and refine the Customer Relationship Management software introduced the previous year, in order to increase organisational intelligence about external contacts and communications. During the year a knowledge and information management strategy was developed, and will be implemented from the beginning of the next business year.

## Financial Management and Corporate Governance

Throughout the year, the HFEA maintained sound financial management covering budgeting, compliance, procurement, invoicing and accounting processes. Whilst complying with all relevant and applicable accounting standards, the HFEA produced and laid, as usual, its Annual Report and Accounts for the 2008/09 financial year prior to the summer recess in 2009.

The HFEA uses a regular Directorates performance report including performance indicators and narrative, as well as monthly management accounts, to monitor performance and report to the Authority and the Department of Health. Elective costs such as third-party contracts, travel and subsistence are kept under tight budgetary and management control. Most procurement is through Buying Solutions or with Office of Government Commerce (OGC)-approved suppliers.

The financial procedures and instructions were reviewed and revised in early 2010 to enable better scrutiny, more cost control and better reporting. This work continues, and further publishing of expenses and contracts costs is expected in the future. The HFEA now uses cheques for less than 2% of payments compared to 22% a year ago. In addition, an updated Management Statement was concluded with the Department of Health.

The major focus of effort during the year centred on building on the foundations laid in 2008/09. The three main elements related to the operation of the new committee structures, working of the new organisation and the completion of work related to new legislation and regulations.

The last element had two significant deadlines of 1 October 2009 and 1 April 2010, with appreciable peaks of work attached to both.

The new committee structures worked well. Authority meetings are increasingly held in public with agendas, papers and minutes published on the HFEA website (in advance, where appropriate). The committees have defined, delivered and reviewed their work and governance responsibilities.

From 1 October 2009, the Executive Licensing Panel began to consider routine licensing matters delegated to it by the Authority. Early indications are that the intended benefits, which include enabling Licence Committees to focus expertise better and manage routine decisions in a more timely and effective way, are being achieved.

The new organisation has now bedded down and is able to reflect on a year of considerable achievement and successful working, including operating with one fewer Director than before. A major contribution was the continued effective working of the Corporate Management Group (CMG). This remains the senior, formal executive decision-making and performance monitoring body and is chaired by the Chief Executive and supported by the Head of Business Planning. Late in 2009, the work of programme management was transferred into a Programme Board that inherited the remaining work of Programme 2010, and oversees all significant projects and the principles and tools with which they are managed. This board reports to CMG.

Risk management continues to be a key element of the Authority's management approach, with regular reporting to CMG and to the Audit (now Audit and Governance) Committee. Operational risk reporting is increasingly becoming embedded at a departmental level.

The HFEA continues to use Performance and Development Plans (PDPs) to manage staff performance on an annual and six-monthly basis. A considerable amount of training was delivered, often in workshops, and included finance training for budget managers, project management, and the start of a collaboration on talent management with several other Department of Health ALBs. An annual assessment was introduced for Members, for whom training was also made available.

## Financial Review

The financial results of the HFEA are included in the accounts on pages 72 to 91 and show that the HFEA's net expenditure for the financial year after tax and exceptional items was £1,489,009 (2008/09 £4,017,259).

The Department of Health provided Grant-in-Aid towards resource expenditure of £1,937,301 (2008/09 £4,162,000) and £115,000 towards the purchase of fixed assets (2008/09 £300,000). The main reasons for substantial decreases in funding from the Department were the cessation of Programme 2010, completion of most of the office refurbishment in 2008/09 and the agreed reduction of £459,699 in operational Grant-in-Aid during 2009/10.

Capital expenditure was £102,110 (2008/09 £300,333). This was spent on completing the office refurbishment begun in the previous year and recurring items of replacement office and IT equipment. As usual, the HFEA endeavours to improve sustainability, refurbish equipment or to redeploy or donate to the third-sector equipment it no longer requires.

The office has been substantially improved, and a shift from bought multiple local printers to leased large-scale multi-functional devices has enabled overall printer costs to be reduced. This has also reduced the risk of inadvertent third-party handling of confidential documents as nearly all committee documents are now internally produced and printed.

Income from fees charged to clinics was £5,650,612 (2008/09 £5,641,937). This slight increase partly reflects the background economic situation but also a small increase in the number of clinics. In addition, clinics are now less prone to delay reporting billable treatments due to improvements in Electronic Data Interchange (EDI) and the advent of CaFC. The latter was launched during 2009 and increased the frequency and reliability of clinic reporting, in addition to the benefits mentioned above.

During 2009/10, remaining legal actions in which the HFEA was a participant were settled and the associated provisions released. Further information on legal activity in the year is provided in the financial accounts (primarily notes 12 and 15).

The HFEA made no new provision for potential legal costs as at 31 March 2010 (2008/09 £210,000) as the Authority is not currently a party to any formal legal proceedings.

The accounts reflect the full application of International Financial Reporting Standards (IFRS) for the first time. This has resulted in no adjustments to reserves brought forward. The impact has affected mainly the presentation of financial data. Some minor re-classifications of amounts were made and, accordingly, there are some differences between figures contained in these accounts and those from previous years.

## Supplier Payments

The Authority aims to pay all undisputed invoices in accordance with suppliers' terms of payment, which are usually within 30 days. During financial year 2009/10 the Authority settled 96% of all invoices received and 98% of invoices received by cash value within 30 days. 49% of invoices received were paid within 10 days.

During the forthcoming financial year the Authority will be reviewing the development of its own payment policy, with particular regard to Office of Government Commerce's Prompt Payment Code.

As at 31 March 2010, the proportion of closing creditors to purchases during the year was significantly less than one day's average transactions.

## Staff Resources and Development

The HFEA depends critically on the quality, knowledge, experience and enthusiasm of its staff, and in 2009/10 the HFEA employed an average of 88 employees (93 in 2008/09).

Sickness absence rates for the Authority for the year 1 April 2009 to 31 March 2010 were 4.1 per cent. However, if the three designated long term sickness absences for 2009/10 are removed from that analysis, the underlying figure was 3.1 per cent. Our target figure for the year 2010/11 is 3 per cent.



In 2009 the HFEA collaborated with other ALBs to develop 'Hubbub', a leadership assessment and development programme, which will continue through 2010. The programme's key objective is to identify and develop people in our organisations who will be ready to take up more senior posts within a 12 month period. By linking with other ALBs the HFEA will be able to create broader opportunities for staff through a shared mentoring programme and a transferrable competency framework.

The HFEA is committed to the development of its employees. Over the past year we have run and funded various training courses and in-house training events for all staff, including 'maximum impact' management training and core skills training such as business writing and time management. A number of in-house 'Lunch and Learn' sessions have also taken place to encourage staff to share their expertise. During February 2010, the HFEA held a health and wellbeing week for all employees, encouraging all staff to attend various lunchtime workshops aimed at enhancing their health, nutrition and managing stress. During 2010/11 the HFEA will continue with similar initiatives.

Building on the success of the previous year's work on new ways of working (an agreed list of the attitudes and qualities we value) and internal communications, the HFEA continued to make good use of its internal intranet for staff communications, and introduced an e-newsletter to keep staff up to date and informed.

Our HR policies have been under review during the year, to improve their clarity and efficacy. Revised policies will be introduced during the first quarter of the 2010/11 business year. In addition, the HFEA has conducted an internal survey to assess the organisation's readiness to apply for Investors in People status.

## Employee consultation

The HFEA Staff Forum represents all employees and encourages their active participation in the affairs of the HFEA. We recognise the importance of employee input and feedback, and the Staff Forum is used as a framework for discussion and consultation on matters affecting all employees.

Briefing meetings for all staff take place fortnightly and staff are encouraged to participate and contribute information for sharing.

Employees are kept up to date through the HFEA intranet, which all staff have access to. Once a month our staff e-newsletter, the HFEA Insider, is published on the intranet and all members of staff are encouraged to contribute and feed back.

## Pensions

Pension benefits are provided by the Principal Civil Service Pension Scheme (PCSPS). The HFEA recognises the contributions payable for the year. Full details of the pension scheme are included in the Remuneration Report.

## Equality and Diversity on Pay

All posts within the HFEA are systematically job evaluated. This ensures that the salary is fair and equitable and that the HFEA is compliant with equality legislation.

## Disabled Employees

In 2007/08, the HFEA published an annual progress report on the disability aspects of the equality scheme and achieved  $\sqrt{\sqrt{}}$  Positive about Disabled People disability symbol status. We will continue to build on this.

The HFEA has a specific policy to invite to interview any candidate with a disability who meets all the essential criteria. Support is provided for all staff who have, or develop, a disability, including making reasonable adjustments to the workplace or to work processes, and by having advice available through our Occupational Health Service.

# Performance Indicators 2009/10

	Target	Outcome
<b>A. Compliance</b>		
Number of random unannounced inspections carried out this year	4	3
Reports resulting from initial applications and renewal inspections of clinics and research establishments available to clinics within 28 working days of the inspection date	90%	92%
New treatment and research licence applications processed within four months of receipt of all necessary documentation and confirmation that the premises are ready for use	90%	100%
<b>B. Communication and Information</b>		
Responses made to requests for contribution to Parliamentary Questions within the deadlines set by the Department of Health	100%	100%
Number of Authority meetings held in public during the year.	3	3
Written enquiries from patients and the public responded to within three working days	95%	100%
Increase in visits to the HFEA website compared to 2008/09	10%	10.9%
Increase in visits to Find a Fertility Clinic/Choose a Fertility Clinic function on the HFEA website compared to 2008/09	10%	42%
Publication of finalised Licence Committee/Executive Licence Panel decisions on the HFEA Website within 20 working days	90%	100%
Freedom of Information (FOI) requests dealt with within 20 working days	100%	99%
Opening the Register requests dealt with within 20 working days (excluding counselling time for the person making the request)	100%	100%
<b>C. Corporate</b>		
Invoices paid within 30 days	95%	96%
Debts collected within 60 days	85%	82%
Monthly billings of clinics achieved in three weeks	95%	100%
<b>D. Arm's Length Bodies (ALBs) Targets</b>		
Achieve revenue cost targets	Achieve £2.4 million Grant-in-Aid	Achieved <sup>11</sup>
Maintain full-time equivalent staff numbers	86.1 wte	81.8 wte

11. The revenue cost target of £2,397,000 was achieved with only £1,937,299 being drawn down from the Department of Health.



# Social, Community and Environmental Issues

In accordance with our Sustainability Action Plan, the HFEA replaced desktop printers with centrally located multi-function devices in 2009. In co-operation with our landlord we further improved recycling facilities and raised staff awareness. We increasingly aspire to use recycled product in the office and provide only Fairtrade coffee, tea and sugar for visitors and meetings.

Staff work together to organise various events throughout the year where all staff can contribute to charities on a voluntary basis.

In July 2009 we provided a High Performing Property report to the OGC for our occupied space at 21 Bloomsbury Street. We are performing ahead of the benchmark in terms of overall efficiency (measured by cost per full time employee) and perceived effectiveness. The office building, however, is below the benchmark in terms of environmental sustainability. Despite the use of solar cells on the roof of the building's atrium, that generate some electricity, the Display Energy Certificate of 21 Bloomsbury Street only shows a low G rating.

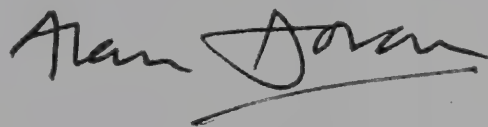
We support the creation of a Building User Group by the landlord for all tenants in 21 Bloomsbury Street to discuss upcoming building issues and the good relations it is fostering.

# Accounts Direction

The statement of accounts which follows is prepared in a form directed by the Secretary of State for Health dated 18 June 2007, in accordance with Section 6 of the 1990 Act (as amended).

# Disclosure of Information to HFEA Auditors

The Chief Executive of the HFEA has been designated as the Accounting Officer for the Authority. The Accounting Officer has taken all the steps that are necessary to make himself aware of any relevant audit information and to establish that the HFEA's auditors – the National Audit Office (NAO) – are aware of that information. So far as the Accounting Officer is aware, there is no relevant audit information of which the NAO is unaware.



**Mr Alan Doran CB**  
Chief Executive

29 June 2010







# Appendix I:

## Committee Membership as at 31 March 2010

<i>Scientific &amp; Clinical Advances Advisory Committee (SCAAC)</i>	<i>Ethics &amp; Law Advisory Committee (ELAC)</i>	<i>Compliance Committee</i>	<i>Audit and Governance Committee</i>	<i>Licence Committee (D)</i>
Prof Neva Haites OBE <b>Chair</b>	Rev Mr Ermal Kirby <b>Chair</b>	Mrs Ruth Fasht OBE <b>Chair</b>	Mrs Sally Cheshire <b>Chair</b>	Ms Gemma K Hobcraft <b>Chair</b>
Dr Susan M Price (Deputy Chair)	Prof David Archard (Deputy Chair)	Ms Gemma K Hobcraft (Deputy Chair)	Mrs Ruth Fasht OBE (Deputy Chair)	Ms Debbie Barber
Ms Debbie Barber	Mr Hossam I Abdalla FRCOG	Mr Hossam I Abdalla FRCOG	Ms Rebekah Dundas	Dr Mair A Crouch
Ms Jane Dibblin	Dr Mair A Crouch	Prof William Ledger	Ms Lillian Neville	Ms Lillian Neville
Prof William Ledger	Prof Neva Haites OBE	Ms Lillian Neville		
Dr Alan R Thornhill	Ms Gemma K Hobcraft			
	Mrs Clare J Lewis-Jones MBE			
<i>Research Licence Committee</i>	<i>Licence Committee</i>	<i>Remuneration Committee</i>	<i>Executive Licensing Panel</i>	<i>Appeals Committee</i>
Prof Emily Jackson <b>Chair</b>	Prof David Archard <b>Chair</b>	Prof Lisa Jardine CBE <b>Chair</b>	Mr Peter Thompson <b>Chair</b>	Mr Jonathan Watt-Pringle QC <b>Chair</b>
Mrs Clare J Lewis-Jones MBE	Ms Anna Carragher (Deputy Chair)	Prof Emily Jackson (Deputy Chair)	Mr Mark Bennett (Deputy Chair)	Ms Hilary Newiss (Deputy Chair)
Dr Andy Greenfield	Ms Debbie Barber	Mrs Sally Cheshire	Ms Trish Davies	Mr John Kevin Artley
Prof Neva Haites OBE	Mrs Sally Cheshire		<b>Reserves</b>	Ms Julia Drown
Prof Lesley Regan	Dr Mair A Crouch		Ms Hannah Darby	Mrs Jennifer Dunlop
	Ms Jane Dibblin		Ms Carmel Dodson-Brown	Mr Joseph Enda McVeigh
	Ms Rebekah Dundas		Mr Ian Peacock	Ms Catharine Seddon
	Dr Susan M Price		Ms Juliet Tizzard <sup>12</sup>	
			Mr Brandon Welsh	

12. Appointed to the Panel on 26 March 2010 to replace Ms Trish Davies on her departure from the HFEA.



# Appointment Summary of Authority Members as at 31 March 2010

<i>Name</i>	<i>Expertise</i>	<i>Date Appointment Started</i>	<i>Date Appointment Ends</i>	<i>Category</i>
Prof Lisa Jardine CBE (Chair)	Academic/Historian	1 April 2008	31 December 2011	Lay
Mr Hossam I Abdalla FRCOG	Clinical	1 October 2004	29 September 2010	Professional
Prof David Archard	Philosophy	1 November 2005	31 October 2011	Lay
Ms Debbie Barber	Clinical	1 September 2008	31 August 2011	Professional
Ms Anna Carragher	Media	7 November 2006	6 November 2012	Lay
Mrs Sally Cheshire	Business, Accountancy and Healthcare	7 November 2006	6 November 2012	Lay
Dr Mair A Crouch	Genetics and Law	1 September 2008	31 August 2011	Lay
Ms Jane Dibblin	Patient	1 September 2008	31 August 2011	Lay
Ms Rebekah Dundas	Patient Representative	1 January 2007	1 January 2013	Lay
Mrs Ruth Fasht OBE	Children and Family Service, Group Analysis	1 November 2005	31 October 2011	Lay
Dr Andy Greenfield	Biological Science	9 November 2009	8 November 2012	Professional
Prof Neva Haites OBE	Clinical Genetics	2 December 2002	30 November 2011	Professional
Ms Gemma K Hobcraft	Law	1 September 2008	31 August 2011	Lay
Prof Emily Jackson (Deputy Chair)	Healthcare and Law	12 June 2003	30 November 2011	Lay
Rev Mr Ermal Kirby	Moral Theologian	1 January 2010	31 December 2012	Lay
Prof William Ledger	Clinical	7 November 2006	6 November 2012	Professional
Mrs Clare J Lewis-Jones MBE	Patient	2 December 2002	30 November 2011	Lay
Ms Lillian Neville	Healthcare	1 September 2008	31 August 2011	Lay
Dr Susan M Price	Clinical Genetics	1 February 2006	31 January 2012	Professional
Prof Lesley Regan	Clinical	1 September 2008	31 August 2011	Professional
Dr Alan R Thornhill	Clinical Embryology	9 November 2009	8 November 2012	Professional

# HFEA Horizon Scanning Expert Panel Membership as at 31 March 2010

<i>Name</i>	<i>Institution</i>
Prof William ‘Twink’ Allen	Paul Mellon Laboratory of Equine Reproduction, UK
Prof Peter Andrews	University of Sheffield, UK
Prof David Barlow	University of Glasgow, UK
Prof Christopher Barratt	University of Dundee, UK
Prof Keith Campbell	University of Nottingham, UK
Prof John Carroll	University College London, UK
Dr Jacques Cohen	Institute for Reproductive Medicine and Science of Saint Barnabas, USA
Dr John Collins	Assisted Human Reproduction, Canada
Prof Alan Decherney	National Institutes of Health, USA
Prof Chris De Jonge	University of Minnesota, USA
Prof Paul Devroey	Free University of Brussels, Belgium
Prof David Edgar	University of Liverpool, UK
Prof Sir Martin Evans	Cardiff University, UK
Prof Hans Evers	Academic Hospital, Maastricht, The Netherlands
Prof Bart Fauser	University Medical Center Utrecht, The Netherlands
Dr Joyce Harper	University College London, UK
Prof Stephen Hillier	University of Edinburgh, UK
Prof Outi Hovatta	Karolinska Institute, Sweden
Prof Mark Hughes	Genesis Genetics Institute, USA
Prof Martin Johnson	University of Cambridge, UK
Prof Gab Kovacs	Monash IVF, Australia
Prof Henry Leese	Hull York Medical School, UK
Dr Norio Nakatsuji	Kyoto University, Japan
Prof Alan Trounson	California Institute for Regenerative Medicine, USA
Dr Maureen Wood	University of Aberdeen, UK
Prof André Van Steirteghem	Free University of Brussels, Belgium
Prof Stéphane Viville	Université Louis Pasteur, France



**Appendix II:**

Centres Licensed by the HFEA as at 31 March 2010



<b>Centre Name</b>	<b>Location</b>	<b>Centre No</b>	<b>Centre Type</b>	<b>Region</b>
Aberdeen Fertility Centre	Aberdeen	0019	TS	Scotland
The Agora Gynaecology and Fertility Centre	Brighton & Hove	0254	TS	South East
Andrology Solutions	London	0293	TS	London
Andrology Unit, Hammersmith Hospital	London	0080	S	London
Arrowe Park Fertility Clinic	Merseyside	0272	T	North West
Assisted Conception Unit, King's College Hospital	London	0109	TS	London
Assisted Conception Unit, St James University Hospital	Leeds	0063	TS	Yorkshire & Humberside
Assisted Reproduction and Gynaecology Centre	London	0157	TS	London
Assisted Conception Unit Queen Mary's Hospital	London	0270	T	London
Assisted Conception Unit, Leigh Infirmary	Lancashire	0278	T	North West
Barts and The London Centre for Reproductive Medicine	London	0094	TS	London
Bath Fertility Centre	Bath	0139	TS	South West
Benenden Fertility Centre (BFC)	Kent	0310	TS	South East
Birmingham Women's Hospital	Birmingham	0119	TSR	West Midlands
Bishop Auckland General Hospital	County Durham	0168	TS	North East
BMI Chelsfield Park ACU	Kent	0086	TS	South East
BMI Priory Hospital	Birmingham	0026	TS	West Midlands
BMI The Chaucer Hospital	Canterbury	0161	TS	South East
BMI The Hampshire Clinic	Hampshire	0285	T	South East
Bourn Hall	Cambridge	0100	TS	East England
Bourn Hall	Colchester	0188	TS	East England
Brentwood Fertility Centre	Essex	0165	TS	East England
The Bridge Centre	London	0070	TS	London
Bristol Centre for Reproductive Medicine	Bristol	0295	TS	South West
Burton Hospitals NHS Trust	Burton on Trent	0184	TS	West Midlands
CARE Sheffield	Sheffield	0061	TS	Yorkshire & Humberside
CARE Manchester	Manchester	0185	TS	North West
CARE Northampton	Northampton	0016	TS	East Midlands
CARE Nottingham	Nottingham	0101	TSR	East Midlands
Centre for Human Development, Stem Cells and Regeneration / Division of Human Genetics	Southampton	0251	R	South East
CREATE Centre for Reproduction and Advanced Technology	London	0299	TS	London
The Centre for Reproductive and Genetic Health	London	0044	TS	London
Centre for Reproductive Medicine and Fertility	Sheffield	0196	TS	Yorkshire & Humberside
Centre for Reproductive Medicine	Coventry	0013	TSR	West Midlands
Centre for Stem Cell Biology (Alfred Denny)	Sheffield	0312	R	Yorkshire & Humberside
Centre for Stem Cell Biology and Developmental Genetics	Newcastle	0296	R	North East

**T** = Treatment **S** = Storage **R** = Research



<b>Centre Name</b>	<b>Location</b>	<b>Centre No</b>	<b>Centre Type</b>	<b>Region</b>
Chelsea and Westminster Hospital	London	0158	TS	London
The Chiltern Hospital Fertility Services Unit	Great Missenden	0064	TS	South East
Clarendon Wing - Leeds	Leeds	0052	TS	Yorkshire & Humberside
Cleveland Gynaecology and Fertility Centre	Middlesbrough	0056	TS	North East
Countess of Chester Hospital	Chester	0280	T	North West
Craigavon Area Hospital	Belfast	0294	T	Northern Ireland
CRM London	London	0199	TS	London
Crosshouse Hospital	Kilmarnock	0287	T	Scotland
Dumfries and Galloway Royal Infirmary	Dumfries	0275	T	Scotland
Edinburgh Assisted Conception Unit	Edinburgh	0201	TS	Scotland
Epsom and St Helier NHS Trust	Carshalton	0259	T	London
Fertility Unit Barking, Havering and Redbridge Hospitals Trust	Romford, Essex	0291	T	East England
Fisher Bioservices UK	Hertfordshire	0300	S	East England
The Gateshead Fertility Unit	Gateshead	0170	TS	North East
Glasgow Centre for Reproductive Medicine	Glasgow	0250	TS	Scotland
Glasgow Nuffield Hospital	Glasgow	0115	TS	Scotland
Glasgow Royal Infirmary	Glasgow	0037	TSR	Scotland
Gloucester Hospitals NHS Trust	Gloucester	0151	S	South West
Good Hope Hospital NHS Trust	West Midlands	0261	T	West Midlands
Guys Hospital	London	0102	TSR	London
Hartlepool General Hospital	Hartlepool	0031	TS	North East
Heart of England NHS Foundation Trust	Solihull	0267	T	West Midlands
Herts & Essex Fertility Centre	Cheshunt	0030	TS	East England
Hewitt Centre for Reproductive Medicine	Liverpool	0007	TS	North West
Hexham General Hospital	Hexham	0277	T	North East
Homerton Fertility Centre	London	0153	TS	London
Hull IVF Unit	Hull	0021	TS	Yorkshire & Humberside
Human Genetics & Embryology Laboratories	London	0245	R	London
Institute of Biomedical Research	Birmingham	0209	R	West Midlands
Institute of Reproductive and Development Biology	London	0249	R	London
IVF Hammersmith	London	0078	TSR	London
IVF Scotland	Edinburgh	0313	TS	Scotland
IVF Wales	Cardiff	0049	TSR	Wales
The James Cook University Hospital	Middlesbrough	0055	TS	North East
Lanarkshire Acute Hospital NHS Trust	Lanarkshire	0098	TS	Scotland
The Leeds Centre for Reproductive Medicine	Leeds	0314	TS	Yorkshire & Humberside
Leicester Fertility Centre	Leicester	0068	TS	East Midlands
Leighton Hospital	Crewe	0279	T	North West
The Lister Fertility Centre	London	0006	TS	London
London Female and Male Fertility Centre	London	0143	TS	London
London Fertility Centre	London	0088	TSR	London

**T** = Treatment **S** = Storage **R** = Research

<b>Centre Name</b>	<b>Location</b>	<b>Centre No</b>	<b>Centre Type</b>	<b>Region</b>
London Fertility Centre, (Storage)	London	0308	S	London
The London Sperm Bank	London	0011	S	London
London Women's Clinic	London	0105	TS	London
London Women's Clinic	Cardiff	0301	TS	Wales
London Women's Clinic	Darlington	0075	TS	North East
London Women's Clinic	Swansea	0059	TS	Wales
Luton and Dunstable NHS Trust Hospital	Luton	0256	T	East England
Manchester Fertility Services Ltd.	Manchester	0033	TSR	North West
Midland Fertility Centre	West Midlands	0008	TS	West Midlands
Newcastle Fertility at Life	Newcastle upon Tyne	0017	TSR	North East
Ninewells Hospital	Dundee	0004	TS	Scotland
North Middlesex Hospital	London	0289	T	London
NURTURE	Nottingham	0076	TS	East Midlands
Origin Fertility Centre	Belfast	0200	TS	Northern Ireland
Oxford Fertility Unit	Oxford	0035	TSR	South East
Peninsular Centre for Reproductive Medicine	Exeter	0005	TS	South West
Portsmouth Fertility Centre	Portsmouth	0281	T	South East
Princess of Wales Hospital	Bridgend	0265	T	Wales
Queen Mary's Hospital	Sidcup	0117	T	London
Queens' Medical Centre Fertility Unit	Nottingham	0162	TS	East Midlands
Regional Fertility Centre	Belfast	0077	TS	Northern Ireland
Reproductive Genetics Institute	London	0206	TS	London
Reproductive Medicine Clinic	Bristol	0276	T	South West
The Reproductive Medicine Unit	London	0167	TS	London
The Rosie Hospital	Cambridge	0051	S	East England
Roslin Cells Limited	Edinburgh	0202	R	Scotland
The Royal Bournemouth NHS Foundation Trust	Bournemouth	0288	T	South West
Royal Cornwall Hospital	Truro	0282	T	South West
Royal Derby Hospital	Derby	0149	TS	West Midlands
Royal Surrey County Hospital	Surrey	0159	S	South East
Salisbury Fertility Centre	Salisbury	0197	TS	South West
Scottish Biomedical	Glasgow	0303	R	Scotland
Section of Reproductive and Developmental Medicine	Sheffield	0191	R	Yorkshire & Humberside
Shirley Oaks Hospital	Croydon	0163	TS	London
Shropshire and Mid-Wales Fertility Centre	Shrewsbury	0148	TS	West Midlands
South East Fertility Centre	Tunbridge Wells	0208	TS	South East
South West Centre for Reproductive Medicine	Plymouth	0179	TS	South West
Southampton Fertility Unit	Southampton	0307	TS	South East
Spire Bristol Hospital	Bristol	0284	T	South West
St Jude's Women's Hospital	Wolverhampton	0198	TS	West Midlands
St Mary's Hospital NHS Trust	London	0292	T	London
St Mary's Hospital	Manchester	0067	TSR	North West
Stockport NHS Foundation Clinic	Stockport	0262	T	North West

**T** = Treatment **S** = Storage **R** = Research



<b>Centre Name</b>	<b>Location</b>	<b>Centre No</b>	<b>Centre Type</b>	<b>Region</b>
Subfertility Unit James Paget Healthcare NHS Trust	Norfolk	0190	S	East England
Sunderland Fertility Centre	Sunderland	0096	TS	North East
Sussex Downs Fertility Centre	Eastbourne	0015	TS	South East
Swansea Reproduction Unit	Swansea	0273	T	Wales
Torbay Hospital	Torquay	0260	T	South West
University of Cambridge	Cambridge	0246	R	East England
University of Manchester	Manchester	0175	R	North West
University of Oxford Department of Obstetrics and Gynaecology	Oxford	0311	R	South East
University of York	York	0062	R	Yorkshire & Humberside
Wellcome Trust Centre for Stem Cell Research University of Cambridge	Cambridge	0252	R	East England
Wessex Fertility Limited	Southampton	0057	TSR	South East
West Middlesex University Hospital	London	0302	T	London
Western Sussex Hospitals NHS Trust St Richards Hospital	Chichester	0269	T	South East
The Whittington Hospital Fertility Unit	London	0258	T	London
The Winterbourne Hospital	Dorset	0133	TS	South West
The Woking Nuffield Hospital	Woking	0144	TS	South East
The Women's Unit, Cwm Taff NHS Trust	Rhondda Cynon Taff	0298	T	Wales
Yeovil District Hospital Foundation Trust	Yeovil	0283	T	South West

\* An up to date list of centres can be viewed on our website at [www.hfea.gov.uk](http://www.hfea.gov.uk)

**T** = Treatment **S** = Storage **R** = Research

## Appendix III:

### External Advisors as at 31 March 2010

#### Clinical Advisors

**Mr Bernard Bentick**

Accredited Consultant  
Shropshire and Mid-Wales Fertility Centre

**Mr Peter Brinsden**

Consultant Medical Director/Licence Holder  
Bourn Hall Clinic

**Mr Richard Kennedy**

Medical Director  
University Hospitals Coventry & Warwickshire  
NHS Trust

**Mr Yakoub Khalaf**

Person Responsible/Medical Director  
Guy's Hospital

**Mr Stephen Maguiness**

Person Responsible/Medical Director  
Hull IVF Unit

**Mr Nigel Perks**

Consultant Obstetrician and Gynaecologist  
Barts and The London Centre for Reproductive  
Medicine

**Mr Andrew Riddle**

Person Responsible/Medical Director  
Nuffield Health  
Woking Hospital

**Mr Robert Sawers**

Person Responsible/Medical Director  
BMI The Priory Hospital

#### Scientific Advisors

**Dr Virginia Bolton**

Consultant Embryologist  
Guy's Hospital

**Ms Grace Cunningham**

Blood and Tissues Inspector  
Irish Medicines Board

**Prof Lynn Fraser**

Emeritus Professor of Reproductive Biology  
School of Biomedical & Health Sciences

**Dr Stephanie Gadd**

Senior Embryologist  
Bath Fertility Centre

**Mr David Gibbon**

Principal Embryologist and Business Manager for  
Fertility Services  
Hartlepool General Hospital

**Mr Andy Glew**

Senior Embryologist/Licence Holder  
Herts and Essex Fertility Centre

**Prof Geraldine Hartshorne**

Professorial Fellow  
Warwick Medical School  
University of Warwick

**Dr Maybeth Jamieson**

Consultant Embryologist  
Self-employed

**Mr Jason Kasraie**

Person Responsible/Consultant Embryologist  
Shropshire and Mid-Wales NHS Trust Fertility Centre



**Dr Paul Knaggs**

Person Responsible (Research)/Senior Embryologist  
IVF Hammersmith

**Mr Stephen Lynch**

Laboratory Manager  
South East Fertility Clinic

**Dr Lynne Nice**

Person Responsible/Senior Embryologist  
The Chiltern Hospital Fertility Services Unit

**Dr Karen Turner**

Person Responsible (Research)/Scientific Director  
Oxford Fertility Unit

**Dr Bryan Woodward**

Embryologist Consultant  
Self-employed

**Counselling Advisors****Ms Catherine Grieve**

Counsellor  
Centre for Reproductive Medicine

**Dr Jim Monach**

Mental Health Consultant  
Self-employed

**Ms Sheila Pike**

Senior Counsellor  
Centre for Reproductive Medicine and Fertility,  
Sheffield

**Mrs Roz Shaw-Smith**

Chartered Psychologist  
Oxford Fertility Unit

**Nursing Advisors****Mrs Sherry Ebanks**

Nurse Co-ordinator  
South East Fertility Centre

**Ms Eileen Graham**

Fertility Services Co-ordinator  
Bishop Auckland General Hospital

**Sister Helen Kendrew**

Nurse Co-ordinator  
Bath Fertility Centre

**Ms Janet Kirkland**

Clinical Inspector  
Self-employed

**Mr Tony Knox**

Clinical Inspector  
Self-employed

**Ms Kathryn Mangold**

Lead Clinical Nurse/Licence Holder  
Chelsea and Westminster Hospital

**Ms Fiona Pringle**

Nurse Co-ordinator  
Oxford Fertility Unit

## Appendix IV:

### Research Projects licensed by the HFEA between 1 April 2009 and 31 March 2010

#### **Assisted Conception Service, Glasgow Royal Infirmary (Centre 0037)**

- The effect of biomass reduction on embryo development after biopsy of either one or two blastomeres (R0175)

#### **Birmingham Women's Hospital (Centre 0119) / Institute of Biomedical Research (Centre 0209)**

- Human gamete interaction and signalling (R0172 / R0173)
- Derivation of GMP human embryonic stem cells (R0184)
- Genetic screening of the preimplantation embryo (R0186)

#### **Bourn Hall, Cambridge (Centre 0100)**

- The disaggregation of embryos for the purpose of deriving stem cells from human surplus embryos (R0167)

#### **Centre for Assisted Reproduction, Coventry (Centre 0013)**

- Indicators of oocyte and embryo development (R0155)

#### **Centre for Human Development, Stem Cells and Regeneration / Division of Human Genetics, University of Southampton (Centre 0251)**

- Environmental sensitivity of the human preimplantation embryo (R0142)

#### **Centre for Stem Cell Biology, University of Sheffield (Centre 0191)/ Centre for Stem Cell Biology (Alfred Denny), Sheffield (Centre 0312)**

- Optimisation of human embryonic stem cell derivation and the development of treatments for degenerative diseases (R0115)

#### **Centre for Stem Cell Biology and Developmental Genetics, University of Newcastle Upon Tyne (Centre 0296)**

- Derivation of embryonic stem cell lines from interspecies embryos produced by somatic cell nuclear transfer (R0179)

#### **Clarendon Wing, Leeds General Infirmary (Centre 0052)**

- Maturation of fertilisation of human eggs in vitro (R0104)

#### **Clinical Sciences Research Institute, University of Warwick (Centre 0305)**

- The generation of human embryonic stem cells by transferring a human cell into recipient pig eggs (R0183)

#### **Edinburgh Assisted Conception Unit (Centre 0201)**

- Genetic analysis of human preimplantation embryos (R0181)

#### **Guy's Hospital, London (Centre 0102)**

- Improving methods for biopsy and preimplantation diagnosis of inherited genetic disease of human preimplantation embryos (R0075)
- Correlation of embryo morphology with ability to generate embryonic stem cell lines and subsequent growth differentiative characteristics (R0133)

#### **Human Genetics and Embryology Laboratories, University College Hospital, London (Centre 0245)**

- The development of novel preimplantation genetic diagnosis (PGD) procedures and the study of early human development (R0113)

#### **Institute of Reproductive and Development Biology, Imperial College London (Centre 0249)**

- Comparative studies on human embryonic stem cells and stem cells derived from male germ cells (R0174)



**IVF Hammersmith (Centre 0078)**

- The vitrification of blastocysts following biopsy at the early-cleavage stage or blastocyst stage of embryo development – A pilot study (R0187)

**IVF Wales (Centre 0049)**

- Investigation into the role of sperm PLC- zeta in human oocyte activation (R0161)

**London Fertility Centre (Centre 0088)**

- Analysis of chromosomes in human preimplantation embryos using Fluorescence In Situ Hybridisation (FISH) and Comparative Genomic Hybridisation (CGH) (R0169)

**Newcastle Fertility at Life (Centre 0017)**

- Epigenetic studies of preimplantation embryos and derived stem cells (R0145)
- Derivation of human embryonic stem cell lines using nuclear transfer and parthenogenically activated oocytes (R0152)
- Mitochondrial DNA disorders: is there a way to prevent transmission? (R0153)

**Ninewells Hospital, Dundee (Centre 0004)**

- Studies of embryo development and metabolism (R0154)

**NURTURE, Nottingham (Centre 0076)**

- Evaluation of cardio myocytes derived from embryonic stem cells as a means to characterise receptor/channel expression in human tissue (R0141)

**Oxford Fertility Unit (Centre 0035)**

- Development of a model to study implantation in the human (R0111)
- To derive human embryonic stem cells and trophoblast cell lines (R0143)
- To develop preimplantation genetic diagnosis (PGD) for mitochondrial DNA disease (R0149)

**Roslin Cells Limited (Centre 0202)**

- Platform technologies underpinning human embryonic stem cell derivation (R0136)

**Scottish Biomedical (Centre 0303)**

- Derivation of a human embryonic stem cell line for the development of drugs for human disease (R0182)

**St Mary's Hospital, Manchester (Centre 0067) / Manchester Fertility Services Ltd. (Centre 0033) / University of Manchester (Centre 0175)**

- In vitro development and implantation of normal human preimplantation embryos and comparison with uni- or poly- pronucleate pre-embryos (R0026)
- Derivation of human embryonic stem cell lines from embryos created from clinically unused oocytes or abnormally fertilised embryos (R0170/171)

**University of Cambridge (Centre 0246)**

- Derivation of human stem cells from human surplus embryos: the development of hES cultures, characterisation of factors necessary for maintaining pluripotency and specific differentiation towards transplantable tissues (R0162)

**University of York (Centre 0062)**

- Biochemistry of early human embryos (R0067)

**Wellcome Trust Centre for Stem Cell Research, University of Cambridge (Centre 0252)**

- Derivation of pluripotent human embryo cell lines (R0178)

# Conditions Licensed for PGD as at 31 March 2010

	OMIM Number	Date of Licence Committee
Multiple Exostoses	133700	22 June 2009
Leigh's: Subacute necrotising encephalopathy of childhood	516000; 516002; 516005; 516006	15 July 2009
MELAS (Mitochondrial encephalomyopathy, lactic acidosis and stroke-like episodes)	590050	15 July 2009
MERRF: Myoclonic epilepsy and ragged red fibres	545000	15 July 2009
NARP: Neurogenic muscle weakness, ataxia, retinitis pigmentosa	516060	15 July 2009
Polycystic Kidney disease - autosomal recessive	263200	22 July 2009
Muscular dystrophy - Occulopharangeal	164300	12 August 2009
Recurrent Digynic Triploidy	-	1 October 2009
Phenylketonuria (PKU)	261600	12 November 2009
Harlequin Ichthyosis	242500	21 January 2010
Hypophosphatasia	241500	21 January 2010
Smith Lemli Opitz Syndrome	270400	21 January 2010
Acute Intermittent Porphyria	176000	25 February 2010
Niemann Pick Disease Type A	257200	25 February 2010
Osteogenesis Imperfecta Type III	259420	25 February 2010
Paragangliomas 4 (plg 4)	115310	25 February 2010
Spinal Muscular Atrophy and Respiratory Distress (SMARD1)	604320	25 February 2010
Ullrich Muscular Dystrophy	254090	25 February 2010
Cerebral Cavernous Malformations (CCM)	116860	25 March 2010
Hypophosphatemic Rickets: X-linked dominant (Xlh)	307800	25 March 2010
Long chain 3-hydroxyacyl-CoA dehydrogenase deficiency (LCHAD)	609016	25 March 2010
Osteopetrosis, Autosomal Recessive 5 and Osteopetrosis, Infantile Malignant 3	259720	25 March 2010
Popliteal Pterygium Syndrome (PPS)	119500	25 March 2010
Stuve-Wiedemann Syndrome	601559	25 March 2010
Succinic Semialdehyde Dehydrogenase Deficiency (SSADHD)	271980	25 March 2010

**HLA Tissue Typing:** The HFEA received 14 applications to carry out embryo testing for HLA tissue typing. All of these were approved.



## Appendix V:

### HFEA Peer Reviewers for PGD Applications as at 31 March 2010:

**Prof Faisal Ahmed**

Consultant in Paediatric Endocrinology  
& Bone Metabolism  
Royal Hospital for Sick Children, Glasgow

**Dr Diana Baralle**

Consultant in Clinical Genetics  
Wessex Clinical Genetics Service  
Princess Anne Hospital, Southampton

**Dr Edward Blair**

Consultant in Clinical Genetics  
Clinical Genetics Service  
Oxford Radcliffe Hospital

**Prof Kate Bushby**

Action Research Professor in Neuromuscular Genetics  
Institute of Human Genetics  
International Centre for Life, Newcastle

**Prof Angus Clarke**

Professor & Consultant in Clinical Genetics  
Institute of Medical Genetics  
School of Medicine  
Cardiff University

**Prof Jill Clayton-Smith**

Honorary Professor in Medical Genetics  
Genetic Medicine  
St Mary's Hospital, Manchester

**Dr Justin Davies**

Consultant in Paediatric Endocrinology  
& Honorary Senior Lecturer  
Child Health Directorate  
Southampton University Hospital Trust

**Prof Diana Eccles**

Consultant in Clinical Genetics  
Wessex Clinical Genetics Service  
Princess Anne Hospital, Southampton

**Dr Helen Firth**

Consultant in Clinical Genetics  
Addenbrooke's Hospital, Cambridge

**Dr Frances Flinter**

Consultant in Clinical Genetics  
Guy's & St Thomas' NHS Foundation Trust, London

**Dr Nicola Foulds**

Consultant in Clinical Genetics  
Wessex Clinical Genetics Service  
Princess Anne Hospital, Southampton

**Dr Alan Fryer**

Consultant in Clinical Genetics  
Liverpool Women's NHS Foundation Trust

**Dr Tara Montgomery**

Consultant in Clinical Genetics  
Institute of Human Genetics  
International Centre for Life, Newcastle

**Dr Andrew Morris**

Metabolic Paediatrician  
Genetic Medicine  
St Mary's Hospital, Manchester

**Dr Ruth Newbury-Ecob**

Consultant in Clinical Genetics University Hospitals  
& Honorary Reader  
University of Bristol

**Dr Christine Oley**

Consultant in Clinical Genetics  
Clinical Genetics Unit  
Birmingham Women's Hospital

**Prof Mary Porteous**

Consultant in Clinical Genetics  
South East Scotland Genetic Service  
Western General Hospital, Edinburgh

**Prof Karen Temple**

University of Southampton & Honorary Consultant  
in Clinical Genetics  
Wessex Clinical Genetics Service  
Princess Anne Hospital, Southampton

**Dr Peter Turnpenny**

Consultant in Clinical Genetics  
Clinical Genetics Department  
Royal Devon & Exeter Hospital, Exeter

**Dr John Walter**

Metabolic Paediatrician  
Genetic Medicine  
St Mary's Hospital, Manchester

**Dr Diana Wellesley**

Head of Prenatal Genetics  
Wessex Clinical Genetics Service  
Princess Anne Hospital, Southampton



# HFEA Peer Reviewers for Research Applications as at 31 March 2010:

**Prof Lars Ährlund-Richter**

Professor of Molecular Embryology  
Department of Women's and Children's Health  
Karolinska Institutet  
Stockholm, Sweden

**Prof Siladitya Bhattacharya**

Professor of Reproductive Medicine  
Department of Obstetrics & Gynaecology  
University of Aberdeen

**Dr Virginia Bolton**

Consultant Embryologist  
Assisted Conception Unit  
Guy's Hospital, London

**Prof Nigel Brown**

Dean  
Faculty of Medicine and Biomedical Sciences  
St George's University of London

**Dr Mark Curry**

Senior Lecturer  
Department of Biological Sciences  
University of Lincoln

**Prof Joy Delhanty**

Scientific Director  
Centre for PGD  
University College London

**Prof Simon Fishel**

Managing Director  
CARE Fertility Group Limited

**Prof Richard Fleming**

Honorary Professor of Reproductive Medicine,  
Consultant Biochemist  
Glasgow University

**Prof Stephen Franks**

Professor of Reproductive Endocrinology  
Imperial College London

**Dr Joyce Harper**

Deputy Director  
Centre for PGD  
University College London

**Prof Geraldine Hartshorne**

Professorial Fellow  
University of Warwick

**Prof Martin Johnson**

Professor of Reproductive Sciences  
Department of Physiology  
Development and Neuroscience  
University of Cambridge

**Dr Sue Kimber**

Reader  
Faculty of Life Sciences  
University of Manchester

**Mr Charles Kingsland**

Consultant Gynaecologist  
Reproductive Medicine Department  
Liverpool Women's Hospital

**Prof Alan McNeilly**

Principal Investigator  
MRC Human Reproductive Sciences Unit  
The Queen's Medical Research Institute, Edinburgh

**Dr Anthony Michael**

Reader  
Reproductive Science  
Faculty of Medicine and Biomedical Sciences  
St George's, University of London

**Prof Harry Moore**

Chair in Reproductive Biology  
Department of Biomedical Science  
University of Sheffield

**Prof Christine Mummery**

Chair  
Department of Anatomy and Embryology  
Leiden University Medical Center, The Netherlands

**Dr Jennifer Nichols**

Assistant Director of Research  
Wellcome Trust Centre for Stem Cell Research  
University of Cambridge

**Dr Sue Pickering**

Consultant Embryologist  
Edinburgh Fertility and Reproductive Endocrine Centre  
University of Edinburgh

**Prof Helen Picton**

Chair  
Reproduction and Early Development  
Reproduction And Perinatal Health Research Group  
University of Leeds

**Prof Ian Sargent**

Professor of Reproductive Science  
Nuffield Department of Obstetrics and Gynaecology  
University of Oxford

**Prof Justin St. John**

Centre Director  
Centre for Reproduction and Development  
Monash Institute of Medical Research, Australia

**Prof Miodrag Stojkovic**

Deputy Director of Regenerative Medicine  
Prince Felipe Research Centre, Spain

**Prof Karl Swann**

Chair  
Reproductive Cell Biology  
Section of Obstetrics & Gynaecology  
Cardiff University School of Medicine.

**Prof Michael Whitaker**

Professor of Physiology and Dean of Development  
Institute for Cell and Molecular Biosciences  
Medical School  
University of Newcastle

**Dr Maureen Wood**

Honorary Research Fellow  
Department of Obstetrics and Gynaecology  
University of Aberdeen

Appendix VI:

Members' Interests as at 31 March 2010

(or at end of term of office, if this was prior to 31 March 2010)

Name	Mr Hossam I Abdalla FRCOG
Direct employment and consultancies	Director and PR at the Lister Fertility Clinic; Nominal Licensee at Agora Gynaecology and Fertility Centre
Fee-paid work other than HFEA	None
Shareholdings	Various managed unit trusts
Other public appointments and committee memberships	None
Other	None
Registration of hospitality	None

Name	Prof David Archard
Direct employment and consultancies	Professor of Philosophy at Lancaster University
Fee-paid work other than HFEA	External examining; Royalties from academic publications; Occasional honoraria for lectures and for acting in an advisory capacity
Shareholdings	None
Other public appointments and committee memberships	None
Other	None
Registration of hospitality	None

Name	Ms Debbie Barber
Direct employment and consultancies	Nurse Consultant and Lecturer in Women's Reproductive Health at Oxford Fertility Unit
Fee-paid work other than HFEA	Oxford Brookes University and Greenwich University
Shareholdings	None
Other public appointments and committee memberships	None
Other	None
Registration of hospitality	None



<i>Name</i>	Ms Anna Carragher
<i>Direct employment and consultancies</i>	None
<i>Fee-paid work other than HFEA</i>	Commissioner, Equality Commission Northern Ireland
<i>Shareholdings</i>	Equity Unit Trust
<i>Other public appointments and committee memberships</i>	Trustee of the Grand Opera House, Belfast; Chair of the Grand Opera House Belfast Trust
<i>Other</i>	Council Member of the Wildfowl and Wetland Trust
<i>Registration of hospitality</i>	None

<i>Name</i>	Mrs Sally Cheshire
<i>Direct employment and consultancies</i>	Self-employed Management Consultant
<i>Fee-paid work other than HFEA</i>	Non-Executive Director and Chair of Audit Committee NHS Northwest (Strategic Health Authority)
<i>Shareholdings</i>	None
<i>Other public appointments and committee memberships</i>	Chair of the Expert Group on Commissioning NHS Fertility Treatment (19 months until September 2009)
<i>Other</i>	Chair of the Samaritans Branch in Manchester Area (3 years until June 2009)
<i>Registration of hospitality</i>	None

<i>Name</i>	Dr Mair A Crouch
<i>Direct employment and consultancies</i>	Tutor Glasgow University; Genetics and Law Consultancy
<i>Fee-paid work other than HFEA</i>	Honoraria for occasional lectures
<i>Shareholdings</i>	None
<i>Other public appointments and committee memberships</i>	Generation Scotland Advisory Board
<i>Other</i>	Member of: British Society for Human Genetics; Society for Genomics Policy and Population Health; Human Genetics Commission Consultative Panel
<i>Registration of hospitality</i>	None

<i>Name</i>	Ms Jane Dibblin
<i>Direct employment and consultancies</i>	Freelance Executive Producer
<i>Fee-paid work other than HFEA</i>	Author's royalties; Occasional teaching and training
<i>Shareholdings</i>	BAA
<i>Other public appointments and committee memberships</i>	None
<i>Other</i>	None
<i>Registration of hospitality</i>	None

<i>Name</i>	Ms Rebekah Dundas
<i>Direct employment and consultancies</i>	Programme Manager, Big Lottery Fund
<i>Fee-paid work other than HFEA</i>	None
<i>Shareholdings</i>	None
<i>Other public appointments and committee memberships</i>	None
<i>Other</i>	Member of: Infertility Network UK; Donor Conception Network; Twins and Multiple Births Association (TAMBA)
<i>Registration of hospitality</i>	None

<i>Name</i>	Mrs Ruth Fasht OBE
<i>Direct employment and consultancies</i>	Management and Organisational Consultancy – children and family services; Fostering and adoption services, and related issues
<i>Fee-paid work other than HFEA</i>	Occasional consultancy on children and family services
<i>Shareholdings</i>	None
<i>Other public appointments and committee memberships</i>	Member of: Norwood Council; Norwood Adoption Society Management Committee and Adoption Panel of Intercountry Adoption Centre Chair of the Advisory Board of Children's Centre, London Borough of Barnet
<i>Other</i>	Member of: Institute of Group Analysis; British Association for Adoption and Fostering
<i>Registration of hospitality</i>	None

<i>Name</i>	Dr Andy Greenfield
<i>Direct employment and consultancies</i>	Medical Research Council
<i>Fee-paid work other than HFEA</i>	University of Oxford: Teaching, supervision of students; Academia Sinica: Republic of China – fee for academic review
<i>Shareholdings</i>	None
<i>Other public appointments and committee memberships</i>	None
<i>Other</i>	Member of: British Society for Developmental Biology; Genetics Society and Anatomical Society (Great Britain and Ireland)
<i>Registration of hospitality</i>	None

<i>Name</i>	Prof Neva Haites OBE
<i>Direct employment and consultancies</i>	Vice Principal and Head of College of Life Science and Medicine; Member of the Board NHS Grampian
<i>Fee-paid work other than HFEA</i>	External Examiner for the University of Malaya
<i>Shareholdings</i>	Jointly with husband - Weatherford; Managed funds including a selection of shares selected by the Management Consultants
<i>Other public appointments and committee memberships</i>	Chair of the Biomedical and Therapeutics Research Committee of Chief Scientist Office, Scotland
<i>Other</i>	None
<i>Registration of hospitality</i>	None

<i>Name</i>	Ms Gemma K Hobcraft
<i>Direct employment and consultancies</i>	Self-employed Barrister
<i>Fee-paid work other than HFEA</i>	None
<i>Shareholdings</i>	None
<i>Other public appointments and committee memberships</i>	Government Equalities Office appointment as a 'Public Appointment Ambassador'
<i>Other</i>	Executive Committee Member, Human Rights Lawyers Association; Trustee, Brook London
<i>Registration of hospitality</i>	None

<i>Name</i>	Prof Emily Jackson
<i>Direct employment and consultancies</i>	Professor of Law at the London School of Economics
<i>Fee-paid work other than HFEA</i>	External examining; Occasional honoraria for lectures and for acting in an advisory capacity; Author royalties from academic publishers
<i>Shareholdings</i>	None
<i>Other public appointments and committee memberships</i>	None
<i>Other</i>	Member of: BMA Medical Ethics Committee; Royal College of Physicians Committee on Ethical Issues in Medicine; Royal College of Pathologists Ethics Committee
<i>Registration of hospitality</i>	None

<i>Name</i>	Prof Lisa Jardine CBE
<i>Direct employment and consultancies</i>	Director of the Centre for Editing Lives and Letters; Centenary Professor of Renaissance Studies at Queen Mary, University of London
<i>Fee-paid work other than HFEA</i>	Royalties from academic publications; Journalism and media
<i>Shareholdings</i>	None
<i>Other public appointments and committee memberships</i>	Trustee of the V&A Museum; Member of the Council of the Royal Institution; Patron of the National Council on Archives
<i>Other</i>	Fellow of the Royal Historical Society; Honorary Fellow of King's College, Cambridge and Jesus College, Cambridge; Governor, St Marylebone Church of England Secondary School; Honorary doctorates at Sheffield Hallam University and Open University
<i>Registration of hospitality</i>	None

<i>Name</i>	Rev Mr Ermal Kirby
<i>Direct employment and consultancies</i>	A post-holder in the Methodist Church, receiving a stipend from the national body and expenses from the London District
<i>Fee-paid work other than HFEA</i>	None
<i>Shareholdings</i>	Nominal holding in Standard Life following demutualisation
<i>Other public appointments and committee memberships</i>	None
<i>Other</i>	Trustee of M B Reckitt Charitable Trust
<i>Registration of hospitality</i>	None



<i>Name</i>	Prof William Ledger
<i>Direct employment and consultancies</i>	Professor of Obstetrics and Gynaecology, University of Sheffield; Honorary Consultant at the Sheffield Teaching Hospitals Trust; Member Advisory Board - Ferring Ltd
<i>Fee-paid work other than HFEA</i>	Honoraria for various academic presentations at scientific meetings
<i>Shareholdings</i>	None
<i>Other public appointments and committee memberships</i>	ESHRE Taskforce on Fertility and Society; Member of Council - Royal College of Obstetricians and Gynaecologists
<i>Other</i>	Research Funding from Ferring, Ipsen and SPD; Advisory Board for Merck, Sharpe & Dohme
<i>Registration of hospitality</i>	None

<i>Name</i>	Mrs Clare J Lewis-Jones MBE
<i>Direct employment and consultancies</i>	Chief Executive, Infertility Network UK (INUK)
<i>Fee-paid work other than HFEA</i>	None
<i>Shareholdings</i>	None
<i>Other public appointments and committee memberships</i>	None
<i>Other</i>	Patient Representative on the British Fertility Society Management Committee; Member of: European Society of Human Reproduction and Embryology and Labour Party; Chair of: National Infertility Awareness Campaign; Association of Fertility Patient Organisations and Fertility Europe
<i>Registration of hospitality</i>	None

<i>Name</i>	Ms Lillian Neville
<i>Direct employment and consultancies</i>	Senior Lecturer, University of Salford, Registered Nurse
<i>Fee-paid work other than HFEA</i>	None
<i>Shareholdings</i>	None
<i>Other public appointments and committee memberships</i>	Governor of Salford Royal NHS Foundation Trust
<i>Other</i>	Member of: the Institute for Health and Social Care Research and Royal College of Nursing
<i>Registration of hospitality</i>	None

<i>Name</i>	Dr Susan M Price
<i>Direct employment and consultancies</i>	Consultant in Clinical Genetics
<i>Fee-paid work other than HFEA</i>	Occasional work as an expert in legal cases requiring specialist genetic reports
<i>Shareholdings</i>	None
<i>Other public appointments and committee memberships</i>	None
<i>Other</i>	Member of: the British Society of Human Genetics; European Society of Human Genetics; Skeletal Dysplasia Group and Leicester Genetics Club (a national forum to discuss ethical issues in genetics); Fellow of the Royal College of Physicians
<i>Registration of hospitality</i>	None

<i>Name</i>	Prof Lesley Regan
<i>Direct employment and consultancies</i>	Professor and Head of Obstetrics and Gynaecology, Imperial College Healthcare NHS Trust at St Mary's Hospital; Deputy Head of Department of Surgery and Cancer (Development and Communications) Imperial College London
<i>Fee-paid work other than HFEA</i>	None
<i>Shareholdings</i>	None
<i>Other public appointments and committee memberships</i>	President of the Association of Early Pregnancy Units in the UK, International Federation of Gynaecology and Obstetrics (FIGO); Chair of Women's Sexual and Reproductive Rights (WSSR) and Royal College of Obstetricians and Gynaecologists (RCOG); Member of: the Council, International Board, Finance and Executive Committee; Chair of Advocacy Committee
<i>Other</i>	Occasional fees for editorial/medical legal work and writing of reports
<i>Registration of hospitality</i>	None

<i>Name</i>	Dr Alan R Thornhill
<i>Direct employment and consultancies</i>	Scientific Director, The London Bridge Fertility, Gynaecology and Genetics Centre, London
<i>Fee-paid work other than HFEA</i>	Various academic presentations (for which expenses and honoraria awarded) Ad hoc consultancy work: Clinica Genesys, Bucharest, Romania; Eurordis – Rare Diseases Europe ( <a href="http://www.eurordis.org">www.eurordis.org</a> )
<i>Shareholdings</i>	None
<i>Other public appointments and committee memberships</i>	Secretary of the Alpha Scientists in Reproductive Medicine
<i>Other</i>	None
<i>Registration of hospitality</i>	None

# Remuneration Report





# Remuneration Report

The HFEA develops its remuneration recommendations based on the Civil Service Pay Guidance issued annually by HM Treasury. Therefore our reward systems are aligned to central government recommendations, and should:

- Reflect organisational needs and be sufficiently flexible to adjust to changing business circumstances
- Improve the operation of the delegated pay arrangements by reducing divergence for staff with similar skills doing similar work from the same relevant labour market, where this is not justified by business needs
- Support the public service ethos and values, be transparent and meet the commitment to equal pay
- Recognise and reward results and performance – pay should reflect output, results and performance, with the best performers, (both individual and/or teams) and those who contribute the most receiving the highest reward.

The overall pay increase in August 2009 was within the Civil Service Pay Guidance limit of a 1.5% overall increase for staff in post (ISP). The HFEA sets its pay rates at median levels compared to the market and the pay award was within the ISP limit in the 2009/10 guidance.

Reward agreements must also be within the HFEA budget set through the Arm's Length Body (ALB) team at the Department of Health.

## Reward Systems and Approval Mechanisms

Pay levels are reviewed annually through the Remuneration Committee which has specific responsibility to monitor overall levels of remuneration and to approve the remuneration of the Chief Executive and the Directors.

The Pay Award comprises two elements – cost of living increase and an element for Performance Related Pay (PRP). PRP is currently determined through the Performance Development Planning (PDP) process as outlined in HFEA's PDP and Performance Management Guidelines (revised in 2008). In 2009, a number of non-consolidated special bonuses were also awarded.

## Duration of Contracts, Notice Periods and Termination Payments

Members of staff in Bands 1 (Assistant grade) and 2 (Officers) have 6 weeks notice of termination of contract. Members of staff in Band 3 (Managers) and above have 3 months notice of termination in their contracts. Termination payments are made only in appropriate circumstances and may arise when staff are not required to work their period of notice, with the exception of cases where gross misconduct has arisen in which no termination payments are made.

## Chair and Non Executive Members

The Chair of the Authority, Professor Lisa Jardine, was appointed on 1 April 2008, initially on a part-time secondment basis from Queen Mary, University of London. With effect from 1 October 2009, Professor Jardine was remunerated on a part-time basis directly by the Authority. Details of the remuneration of the Chair are set out on page 54 to these accounts.

The remuneration levels of the Non-Executive Authority Members are set nationally. Revisions are made in accordance with the agreement on the Pay Framework for ALB Chairs and Non-Executive Directors, announced in March 2006. The HFEA implements the revisions when instructed.

With effect from 1 April 2010, all Non-Executive Authority Members were transferred from a daily rate basis of remuneration to fixed salary rates consistent with comparable ALBs.

## Chief Executive and Directors

For the year reported, the remuneration of the Chief Executive was subject to the terms of the Department of Health's Senior Civil Service Pay Strategy and was recommended by the Chair, subject to the review of the Remuneration Committee, and agreed with the sponsor branch at the Department of Health.

Following his appointment as Chief Executive on 24 March 2010, it is expected that the Chief Executive's remuneration will be set within the HFEA's terms and conditions during 2010/11.

Remuneration of the Directors must be approved by the Remuneration Committee and is based on proposals received from the Chief Executive.

## All Staff

In the PDP process, all staff are assessed on their performance and given a performance category box marking which is then translated into performance related pay. Consistent criteria and percentages are applied to all staff, including Directors. To ensure fairness across the organisation, there is a moderation process managed by the Senior Management Team (SMT).

Recommendations for revised salary bands and increases for each level of performance are reviewed by the SMT and approved by the Remuneration Committee.

## New posts

All new posts or posts with changed responsibilities are subject to a formal job evaluation process (Paypoints II) before recommendations for pay or changes to pay are made.

## Appointments

All appointments are made in accordance with the HFEA's Recruitment and Selection Policy (revised January 2007). The aim is to ensure that all appointments of HFEA staff are made on the basis of merit and in accordance with equal opportunities.

## Retirement

Staff may access their Civil Service pension from the age of 60. However, the HFEA recognises that some staff may wish to work beyond this age. In line with the Employment Equality (Age) Regulations 2006, the HFEA introduced a new Retirement Policy in October 2006, which introduced a default retirement age of 65. All staff have the opportunity to request working beyond the age of 65 and to have this request properly considered.

Early termination, other than for misconduct, would result in the individual receiving compensation as set out in the Civil Service Compensation Scheme.

## Salary and pension entitlements

The following sections provide details of the remuneration and pension interests of the SMT. Figures in the following tables are subject to audit.

# Chief Executive: Mr Alan Doran CB

From 1 October 2007, Mr Alan Doran CB was seconded from the Department of Health to be Interim Chief Executive of the Authority.

Mr Doran was appointed as Chief Executive with effect from 24 March 2010 and will be directly employed by the Authority during 2010/11.

From 1 April 2009 to 31 March 2010, Mr Doran's salary and pension entitlements were:

<i>Salary</i>	<i>Real Increase in Pension at age 60</i>	<i>Real Increase in Lump Sum</i>	<i>Total Accrued Pension at age 60 at 31 March 2010</i>	<i>Related Lump Sum at 31 March 2010</i>	<i>CETV at 1 April 2009</i>	<i>CETV at 31 March 2010</i>	<i>Real Increase in CETV as Funded by HFEA</i>
<i>Band £'000</i>	<i>Band £'000</i>	<i>Band £'000</i>	<i>Band £'000</i>	<i>Band £'000</i>	<i>Nearest £'000</i>	<i>Nearest £'000</i>	<i>Nearest £'000</i>
175-180 (2008/09 185-190)	2.5-5 (2008/0 2.5-5)	0-2.5 (2008/09 0-2.5)	90-95 (2008/09 85-90)	0-5 (2008/09 0-5)	1,797	1,878	76

Mr Doran's salary and associated costs (including his bonus awarded during the year) were paid by the Department of Health, and were reimbursed by the HFEA. No benefits in kind were paid by the HFEA to Mr Doran.

Further information in respect of the Department of Health's Senior Civil Service Pay Strategy is provided in the Department of Health's Annual Report and Accounts.



## Other Senior Managers

The Government Financial Reporting Manual requires the HFEA to provide information on the salary and pension rights of the named individuals who are the most senior managers of the HFEA, subject to the individuals concerned consenting to disclosure.

The salary and pension entitlements of Senior Managers in the HFEA during the period were:

<i>Name of Senior Manager</i>	<i>Salary</i>	<i>Real Increase in Pension at age 60</i>	<i>Real Increase in Lump Sum</i>	<i>Total Accrued Pension at age 60 at 31 March 2010</i>	<i>Related Lump Sum at 31 March 2010</i>	<i>CETV at 1 April 2009</i>	<i>CETV at 31 March 2010</i>	<i>Real Increase in CETV as Funded by HFEA</i>
	<i>Band £'000</i>	<i>Band £'000</i>	<i>Band £'000</i>	<i>Band £'000</i>	<i>Band £'000</i>	<i>Nearest £'000</i>	<i>Nearest £'000</i>	<i>Nearest £'000</i>
<b>Mr Mark Bennett</b> Director of Finance and Facilities	90-95 (2008/09 30-35, full year equivalent 90-95)	0-2.5 (2008/09 0-2.5)	0-2.5 (2008/09 0-2.5)	0-5 (2008/09 0-5)	0-5 (2008/09 0-5)	8	35	23
<b>Ms Trish Davies</b> Director of Compliance (resigned 31 March 2010)	100-105 (2008/09 95-100)	0-2.5 (2008/09 0-2.5)	0-2.5 (2008/09 0-2.5)	20-25 (2008/09 15-20)	0-5 (2008/09 0-5)	355	395	37
<b>Mrs Maggie King</b> <sup>13</sup> Director of Strategic Change (to 10 July 2009)	30-35 (full year equivalent 90-95) (2008/09 90-95)	0-2.5 (2008/09 2.5-5)	0-2.5 (2008/09 7.5-10)	35-40 (2008/09 35-40)	110-115 (2008/09 105-110)	698	723	9
<b>Mr Peter Thompson</b> Director of Strategy and Information	90-95 (2008/09 20-25, full year equivalent 90-95)	5-7.5 (2008/09 0-2.5)	0-2.5 (2008/09 0-2.5)	20-25 (2008/09 15-20)	0-5 (2008/09 0-5)	219	309	74

13. Mrs Maggie King was seconded from the Department of Health 1 April 2009 - 10 July 2009. Mrs King's salary and associated costs (including her bonus awarded during the period) were paid by the Department of Health, and reimbursed by the HFEA.

## Salary

'Salary' includes gross salary, performance pay or bonuses, and any other allowance to the extent that it is subject to UK taxation. This report is based on payments made by the HFEA and thus recorded in these accounts.

## Benefits in Kind

The monetary value of benefits in kind covers any benefits provided by the employer.

## Civil Service Pensions

As per 2001 Statutory Instrument No. 1587, HFEA staff were conditionally admitted to the Principal Civil Service Pension Scheme (PCSPS) as from 1 April 2000, transferring from the HFEA by-analogy Scheme.

The PCSPS is an unfunded multi-employer defined benefit scheme but the HFEA is unable to identify its share of the underlying assets and liabilities. A full actuarial valuation was carried out as at 31 March 2007 by the Scheme Actuary, Hewitt Bacon Woodrow. Details can be found in the resource accounts of the Cabinet Office: Civil Superannuation ([www.civilservice-pensions.gov.uk](http://www.civilservice-pensions.gov.uk)).

Pension benefits are provided through the Civil Service pension arrangements. From 30 July 2007, staff may be in one of four defined benefit schemes; either a "final salary" scheme (Classic, Premium, or Classic Plus) or a "whole career" scheme (Nuvos).

The statutory arrangements are unfunded with the cost of benefits met by monies voted by Parliament each year. Pensions payable under Classic, Premium, Classic Plus and Nuvos are increased annually in line with changes in the Retail Prices Index (RPI.)

New entrants joining from October 2002 may opt for either the appropriate defined benefit arrangement or a good quality "money purchase" stakeholder pension with a significant employer contribution (Partnership Pension Account).

Employee contributions are set at the rate of 1.5% of pensionable earnings for Classic and 3.5% for Premium, Classic Plus and Nuvos. Benefits in Classic accrue at the rate of 1/80th of final pensionable earnings for each year of service. In addition, a lump sum equivalent to three years' pension is payable on retirement. For Premium, benefits accrue at the rate of 1/60th of final pensionable earnings for each year of service. Unlike Classic, there is no automatic lump sum (but members may give up (commute) some of their pension to provide a lump sum).

Classic Plus is essentially a hybrid with benefits in respect of service before 1 October 2002 calculated broadly as per Classic with benefits for service from October 2002 calculated as in Premium. In Nuvos a member builds up pension based on his or her pensionable earnings during their period of scheme membership. At the end of the scheme year (31 March), the member's earned pension account is credited with 2.3% of their pensionable earnings in that scheme year and the accrued pension is uprated in line with RPI. In all cases, members may opt to (commute) pension for lump sum up to the limits set by the Finance Act 2004.

The Partnership Pension Account is a stakeholder pension arrangement. The employer makes a basic contribution of between 3% and 12.5% (depending on the age of the member) into a stakeholder pension product chosen by the employee from a panel of three providers. The employee does not have to contribute but where they do make contributions, the employer will match these up to a limit of 3% of pensionable salary (in addition to the employer's basic contribution). Employers also contribute a further 0.8% of pensionable salary to cover the cost of centrally-provided risk benefit cover (death in service and ill health retirement).

The accrued pension quoted is that which the member is entitled to receive when they reach pension age, or immediately upon ceasing to be an active member of the scheme if they are already at or over pension age. Pension age is 60 for members of Classic, Premium, and Classic Plus and 65 for members of Nuvos.

For 2009/10, employer's contributions of £595,515 were payable to the PCSPS in respect of staff directly employed by the Authority (2008/09 £616,449) at one of four rates in the range 16.7% to 24.3% (2008/09 17.1% to 25.5%) of pensionable pay, based on salary bands. The scheme's actuary reviews employer contributions every four years following a full scheme valuation. From 2010/11 the rates will be in the range 16.7% to 24.3%. The contribution rates are set to meet the cost of benefits accruing during 2009/10 to be paid when the member retires, and not the benefits paid during this period to existing pensioners.

For 2009/10, Partnership Pension Account employer's contributions of £18,854 were payable in respect of staff directly employed by the Authority (2008/09 £15,020) to one or more companies chosen by employees from the panel of three appointed stakeholder pension providers. Contributions of £2,990 were due to partnership pension providers at the balance sheet date (2008/09 £nil).

Further details about the Civil Service pension arrangements can be found at the website [www.civilservice-pensions.gov.uk](http://www.civilservice-pensions.gov.uk)

## Cash Equivalent Transfer Values

The tables on pages 50 to 51 show the Senior Management Team's Cash Equivalent Transfer Value (CETV) accrued at the beginning and the end of the reporting period as provided by the Civil Service Pension Scheme.

A CETV is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme.

The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies. The figures include the value of any pension benefit in another scheme or arrangement which the individual has transferred to the Civil Service pension arrangements. They also include any additional pension benefit accrued to the member as a result of their purchasing pension benefits at their own cost.

CETVs are worked out within the guidelines and framework prescribed by the Institute and Faculty of Actuaries and do not take account of any actual or potential reduction to benefits from the Lifetime Allowance Tax which may be due when pension benefits are taken.

The factors used in calculating CETVs were updated in January 2010. As a result, opening CETVs for 2009/10 calculations are likely to be different to closing CETVs from 2008/09.

## Real Increase in Cash Equivalent Transfer Values

This reflects the increase in CETV effectively funded by the employer. It does not include the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period.

## Register of Interests

The HFEA maintains a Register of Interests which details company directorships and other significant interests declared by senior management. Persons wishing to view the Register should apply in writing to the Director of Finance and Facilities [info@hfea.gov.uk](mailto:info@hfea.gov.uk)



# Remuneration of Authority Members

Membership of the Human Fertilisation and Embryology Authority during the year ended 31 March 2010 was as follows:

**Prof Lisa Jardine CBE**

(Chair of the Authority and Remuneration Committee)

**Prof Emily Jackson**

(Deputy Chair and member of the Remuneration Committee)

**Mr Hossam I Abdalla FRCOG**

**Prof David Archard**

**Mrs Debbie Barber**

**Prof Christopher Barratt**

(contract term ended 6 November 2009)

**Ms Anna Carragher**

**Mrs Sally Cheshire**

(Chair of the Audit & Governance Committee and member of the Remuneration Committee)

**Dr Mair A Crouch**

**Ms Jane Dibblin**

**Ms Rebekah Dundas**

**Mrs Ruth Fasht OBE**

**Dr Andy Greenfield**

(appointed 9 November 2009)

**Prof Neva Haites OBE**

**Lord Richard Harries of Pentregarth**

(contract term ended 31 December 2009)

**Ms Gemma K Hobcraft**

**Ms Jennifer Hunt**

(contract term ended 6 November 2009)

**Rev Mr Ermal Kirby**

(appointed 1 January 2010)

**Prof William Ledger**

**Mrs Clare J Lewis-Jones MBE**

(formerly Brown)

**Mr Roger Neuberg**

(contract term ended 6 November 2009)

**Ms Lillian Neville**

**Dr Susan M Price**

**Prof Lesley Regan**

**Dr Alan R Thornhill**

(appointed 9 November 2009)

## Chair's Remuneration

Professor Lisa Jardine was employed as Chair on a part-time secondment basis from Queen Mary, University of London until 30 September 2009. During the period 1 April 2009 to 30 September 2009, the HFEA's share of the salary of Professor Jardine was in the band £25k - £30k. Pension contributions were in the band £0k - £5k.

From 1 October 2009, Professor Jardine was remunerated directly by the Authority as Chair on a part-time basis. During the period 1 October 2009 - 31 March 2010, the salary of Professor Jardine from the Authority was in the band £25k - £30k. No pension contributions were paid.

During 2009/10, Professor Jardine's total remuneration as Chair was in the band £55k - £60k. Total pension contributions were in the band £0k - £5k.

## Other Members' Remuneration

The Deputy Chair received a fee of £208 per day. The Chair of the Audit Committee received a fee of £273 per day. Members received a fee of £190 per day. No pension contributions were paid on behalf of any member.

Aggregate remuneration payable to individual members for attendance at meetings and inspections during the period was in the following bands:

### £0 - £5,000

Prof David Archard	Lord Richard Harries of Pentregarth
Mrs Debbie Barber	Ms Gemma K Hobcraft
Prof Christopher Barratt	Ms Jennifer Hunt
Ms Anna Carragher	Rev Mr Ermal Kirby
Mrs Sally Cheshire (Chair of the Audit Committee)	Prof William Ledger
Dr Mair A Crouch	Mrs Clare J Lewis-Jones (formerly Brown)
Ms Jane Dibblin	Ms Lillian Neville
Ms Rebekah Dundas	Mr Roger Neuberg
Dr Andy Greenfield	Prof Lesley Regan
Prof Neva Haites OBE	Dr Alan R Thornhill

### £5,001 - £10,000

Mr Hossam I Abdalla FRCOG	Mrs Ruth Fasht OBE
Prof Emily Jackson (Deputy Chair)	Dr Susan Price

## Appeals Committee

The Appeals Committee Chair received a fee of £273 per day. The Deputy Appeals Committee Chair received a fee of £208 per day and Appeals Committee Members received a fee of £190 per day. No pension contributions were paid on behalf of any Appeals Committee Member.

Remuneration payable to individual members for attendance at meetings during the period was in the following band:

### £0 - £5,000

Mr John Kevin Artley	Ms Hilary Newiss
Ms Julia Drown	Ms Catharine Seddon
Mrs Jennifer Dunlop	Mr Jonathan Watt-Pringle QC
Mr Joseph Enda McVeigh	

## Travel and Subsistence

From September 2009 information in respect of travel and subsistence claimed by Authority Members and senior management has been published on our website, [www.hfea.gov.uk](http://www.hfea.gov.uk)

This move follows the Cabinet Secretary's decision to publish expenses incurred by senior civil servants at the Cabinet Office.

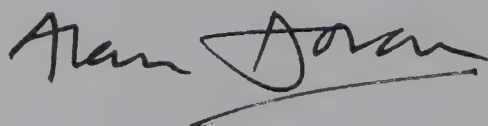
<i>Name</i>	<i>Air</i>	<i>Rail / Tube</i>	<i>Taxi / Car / Parking</i>	<i>Accommodation/ Meals</i>	<i>Other</i>	<i>Total</i>
	<i>Nearest £'0</i>	<i>Nearest £'0</i>	<i>Nearest £'0</i>	<i>Nearest £'0</i>	<i>Nearest £'0</i>	<i>Nearest £'0</i>
<b>Senior Management Team</b>	552	1,096	1,222	1,556	33	4,459
<b>Authority Members</b>	13,338	24,588	3,722	4,776	1,797	48,221
<b>Appeals Committee Members</b>	-	546	78	28	-	652
<b>Totals</b>	<b>13,890</b>	<b>26,230</b>	<b>5,022</b>	<b>6,360</b>	<b>1,830</b>	<b>53,332</b>

## Audit

Certain of the disclosures in the Remuneration Report are subject to audit. These include salaries and allowances, bonuses, expense allowances, compensation for loss of office and non-cash benefits for each Senior Manager and Member who served during the year.

## Register of Interests

Details of company directorships and other significant interests declared by Authority Members can be found in Appendix VI or on our website at [www.hfea.gov.uk](http://www.hfea.gov.uk)



**Mr Alan Doran CB**  
Chief Executive  
29 June 2010



Statement of  
the Responsibility  
of the Authority &  
Chief Executive



# Statement of the Responsibility of the Authority & Chief Executive

## Authority Members' Responsibilities

Under section 6(1) of the Human Fertilisation and Embryology Act 1990 (as amended), the Human Fertilisation and Embryology Authority is required to prepare a statement of accounts for each financial year in the form and on the basis determined by the Secretary of State, advised by HM Treasury. The accounts are prepared on an accruals basis, and must show a true and fair view of the Authority's state of affairs at the year-end, its income and expenditure, total recognised gains and losses, and cash flow for the financial year.

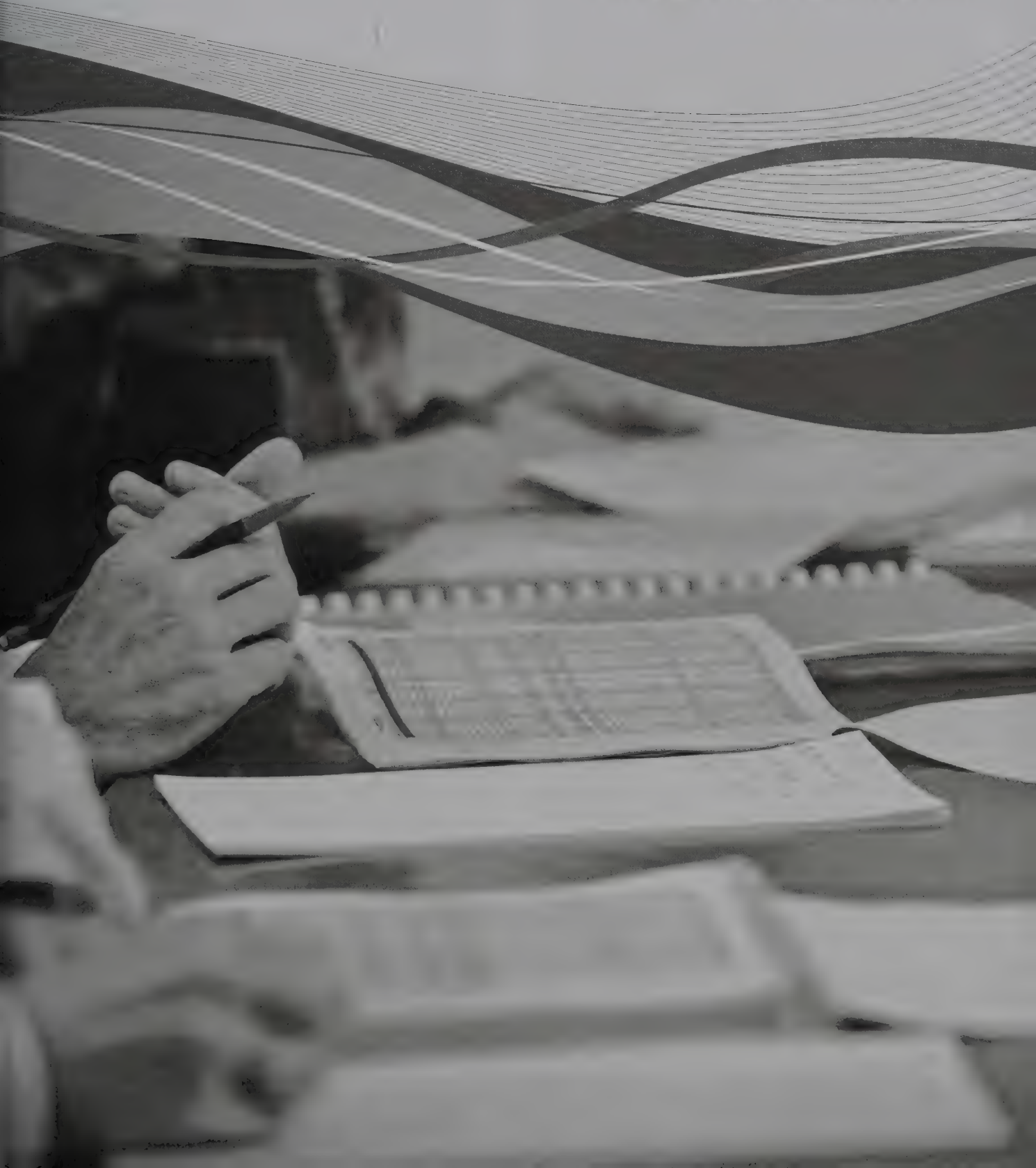
In preparing the accounts the Authority is required to comply with the requirements of the Government Financial Reporting Manual, and in particular to:

- Observe the Accounts Directions issued by the Secretary of State, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis
- Make judgements and estimates on a reasonable basis
- State whether applicable accounting standards as set out in the Government Financial Reporting Manual have been followed, and disclose and explain any material departures in the financial statements
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Authority will continue in operation.

## Accounting Officer's Responsibilities

The Accounting Officer of the Department of Health has designated the Chief Executive of the Human Fertilisation and Embryology Authority as the Accounting Officer for the Authority. His relevant responsibilities as Accounting Officer are set out in the Non-Departmental Public Bodies' Accounting Officer Memorandum. These include his responsibility for the propriety and regularity of the public finances for which he is answerable, for the keeping of proper records and for safeguarding the Authority's assets.

## Statement on Internal Control





# Statement on Internal Control

## Scope of responsibility

As Accounting Officer, I have responsibility for maintaining a sound system of internal control that supports the achievement of the HFEA policies, aims and objectives, as set out in the Human Fertilisation and Embryology Act 1990 (as amended), the Authority's Business Plan, and by Ministers within the Department of Health, whilst safeguarding the public funds and departmental assets for which I am personally responsible, in accordance with the responsibilities assigned to me in Managing Public Money<sup>14</sup>.

The Management Statement, agreed between the Department of Health and the HFEA, sets out the accountability framework within which the Authority's work will be monitored. This requires:

- Prior approval by the Department of the HFEA Annual Business Plan
- Submission to the Department of quarterly monitoring information on progress in implementing the Business Plan
- An annual accountability meeting between Department of Health Ministers and the Chair and Chief Executive of the HFEA.

Department of Health representatives regularly attend Authority meetings and meetings of the Audit and Governance Committee (AGC). The HFEA programme of change to prepare for the new legislation continued during 2009/10, and close liaison has been maintained with the Department. In addition to the formal accountability framework, there have been regular meetings with the Department of Health sponsor team.

## The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level, rather than to eliminate all risk of failure to achieve policies, statutory functions, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness.

The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of HFEA policies, statutory functions, aims and objectives. It also evaluates the likelihood of those risks being realised, the impact should they be realised and the controls in place to manage them efficiently, effectively and economically. The system of internal control was in place in the HFEA for the year ended 31 March 2010 and up to the date of approval of the Annual Report and Accounts, and accords with Treasury guidance.

## Capacity to handle risk

The HFEA operates in a high risk area with a significant public profile, meaning that all decisions can be heavily scrutinised. Therefore, it is critically important that risks are identified and managed appropriately. The HFEA corporate risk management process aims to help members and staff to consider risk, its probability and impact, and the controls in place for management and mitigation purposes, in a consistent manner. The process also recognises that risk exposure varies with new activities, or changes to existing activities, and therefore regular reviews are conducted.

The AGC reviews strategic risks associated with achievement of key Business Plan objectives, using a framework based on the Treasury model. High level risks are also considered regularly by the Corporate Management Group (CMG). This monthly meeting is attended by key managers, including the Senior Management Team (SMT), and reviews high level risks and any other risk issues as and when they arise.

14. [www.hm-treasury.gov.uk/psr\\_mpm\\_index.htm](http://www.hm-treasury.gov.uk/psr_mpm_index.htm).

During the past year, the HFEA High Level Risk Register and operational risks were reviewed regularly by the CMG. The Authority also conducts regular reviews of the High Level Risk Register, recently increasing the frequency from annually to three or four times a year.

It is recognised that effective risk management requires adequate resourcing and this is reflected in the organisation structure and staffing levels. The Head of Business Planning has specific responsibility for supporting risk management across the organisation and inducting new staff in risk management processes. All operational managers are actively involved in risk management and all either attend or are represented on the CMG.

A review of lessons learned from the HFEA high level risk handling is presented to the AGC annually, and relevant learning points from this are incorporated into the HFEA Manager's Guide to Risk Management.

## Attitude to risk

The HFEA attitude to risk is to adopt a proportionate and balanced approach. Risk is defined as something that may jeopardise the Authority's ability to perform its statutory functions and something that may lead to an inability to achieve Business Plan objectives. This could also include the failure to identify and take advantage of new opportunities.

## Appetite for risk

As a regulator, the HFEA intrinsic risk appetite should reflect that of its sector. Whereas some aspects, e.g. IVF treatment, may be considered mature or maturing and therefore low risk, there are others where social, political, environmental and technological change and interest are high. In addition, the implementation of the amended Act, the impact of a significant political change in the UK, fertility developments within the EU and internationally and the coming to maturity of donor-conceived children in increasing numbers all increase the complexity of the issues with which the HFEA needs to deal.

As a partly government-funded body, the HFEA is also affected by the state of the UK Government public finances and the review of government Arm's Length Bodies (ALBs) begun in 2010. The result of the recent UK General Election is yet to provide a clear direction on specific changes to ALBs but the HFEA intends to play its full part in Department of Health sponsored ALB reviews and to do its best to understand, influence and manage the implications for itself, its staff and Members.

The HFEA risk appetite reflects this. From being low in 2008/09, the HFEA now has a medium risk appetite as it seeks to respond positively to change and be proactive with regard to challenges and uncertainties. The HFEA considers that it has a sound approach to most of the major issues and trends for change that it faces and is aware of the risks of complacency.

## The risk and control framework

### Risk Register and Operational Risk Logs

The main focus for consideration of risk is the High Level Risk Register, which identifies the probability and impact of each risk and the mitigating controls that are in place. The risk management process also includes consideration of the tolerance threshold for each risk, with a requirement to put additional controls in place if residual risks exceed this threshold. The risk register has been regularly monitored during the year by CMG. An annual review of the effectiveness of the High Level Risk Register, the controls within it, and general risk management were discussed by CMG and learning points and actions reported to the AGC in November 2009.

The High Level Risk Register is underpinned by a system of individual departmental operational risk logs. This operational risk system enables risks, if relevant, to be escalated to the High Level Risk Register via Directors or the Head of Business Planning. In this way, serious issues are referred to CMG for further consideration.

The assessment of risks is integrated into the business planning process, and the risk register is reviewed against the new objectives being developed for the Business Plan each year. The system of internal control includes an identification of key risks associated with delivery of operational objectives within each Directorate, within individual projects, and the controls to mitigate them. Individual Directors have formally assured that these key elements of risk management and control are functioning within their respective Directorates.

## Information Management

A Knowledge and Information Management Strategy was developed and approved during 2009/10.

This is a regularly reviewed 3-year plan, with the main objectives being to:

- Interrogate and add value to the data held in the Register and other repositories, sharing what is permitted within statutory limitations, and making greater use of trends analysis to inform HFEA work and of sharing of information
- Promote openness and transparency by proactively publishing information, making greater use of social media and stakeholder events, and to fulfil statutory information provision functions
- Restrict the HFEA collection of data and information to what is either required by statute or what is necessary to carry out regulatory activity, develop evidence-based policy or to better inform patient choice and service the HFEA role as an information provider
- Ensure the HFEA achieves best practice in its corporate and information governance, conforming to recognised standards and maintaining accurate, timely records
- Increase the capabilities and efficiency of HFEA staff, creating a culture where knowledge sharing is powerful and where expertise is shared by many in a learning environment.

## Information Security

In accordance with our responsibilities under section 33A of the 1990 Act (as amended), the HFEA has in place various robust and specific arrangements to ensure information security, including a Security Policy that applies to all staff. This has developed during the year to accommodate the requirements of the Security Policy Framework (SPF) and Information Governance Assurance Process (IGAP). The HFEA now has a register of its information management assets and also an Information Assets Owners log, which identifies responsible officers and enables the HFEA to help them manage their responsibilities in respect of these systems properly, particularly in respect of personal data. Other arrangements include:

- Secure and confidential storage of and limited access to Register information
- Prevention of any unauthorised use of removable media such as USB memory sticks and data CDs with HFEA laptops and PCs
- A fixed asset register to record the location of and responsibility for items of IT equipment
- Stringent encryption standards
- A standard, thorough data wiping process for all obsolete and retired data-storage equipment.

## Office Management

The HFEA operates a clear desk policy and has on-site shredders and confidential disposal arrangements in place. During 2009/10, the HFEA continued the move towards defining electronic documents as its primary record of information and to begin to rely less on paper records – with the inefficiency and unreliability of storing, recording and retrieving that arises with large quantities of paper. The office refurbishment project at the end of 2008/09 led to the controlled removal from the offices of large quantities of unnecessary paper and enabled the HFEA to begin to embed a more effective and efficient culture of physical paper and file management. It is intended, with Department of Health support, to continue these efforts with a large records management project starting in 2010/11.



## Internal Incidents

The HFEA internal incidents procedure is used to identify when something significant has gone wrong and to enable the root causes of the failure to be identified and then addressed. A small number were reported during the year and actions were undertaken as a result. I and my Directors are promoting constructive use of incident reports and ensuring they are not seen as tools for recording blame.

## Financial & Payroll Management

A system of financial management that begins with clear delegation of financial powers from myself to named officers is in place. A revised statement of Financial Procedures and a new set of Financial Instructions were adopted in January 2010 to reflect updated governance and organisation. Duties over payments and handling of cash are clearly segregated and have appropriate oversight and departments are required to manage procurement and contracts in accordance with the published procedures. Myself and Directors, assisted by the Heads of HR and Finance, perform the key roles in payroll matters and approvals. Finally, detailed transaction listings and management accounts enable the proper scrutiny, review and forecasting needed to manage the HFEA budget.

## Changing Environment

In 2009/10, a number of pieces of recent and new legislation affected the way the HFEA operates. The 1990 Act (as amended) affects what and how the HFEA regulates, and the range of information the HFEA collects and releases to other people. The commencement date for most aspects of the revised Act was October 2009. In addition, a Regulators' Compliance Code was introduced in 2008 which the HFEA must comply with. The Regulatory Enforcement and Sanctions (RES) Act 2008 covers the operation of a large number of Government regulators, including the HFEA. The HFEA is considering whether to apply for new powers under this Act.

To prepare for all of these changes, the HFEA ensured it had adapted ways of working to be as efficient and effective as possible through a comprehensive review, called Programme 2010. The HFEA remains fit for purpose as a world leading regulator in healthcare. Clinics and other stakeholders have been involved in and consulted on the main elements of this work, much of which was successfully concluded during 2009/10. The HFEA has started a move towards greater openness and transparency and has begun publishing more documents on its website in accordance with its publication schedule, and in accordance with the Information Commissioner requirements.

The overarching risk to the organisation continues to be delivering an increasingly expanding agenda with limited resources, against a back-drop of legislative change, constant public interest and media scrutiny. During 2009/10, the HFEA began to develop a corporate Quality Management System (QMS), aligned to ISO9001, beginning in the Compliance Directorate. Introducing a QMS is intended to help the HFEA continue to improve and use resources effectively but also to address the potential anomaly whereby the HFEA insists on clinics having a QMS but does not have one itself.

## Review of effectiveness

As Accounting Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review of the effectiveness of the system of internal control is informed by the work of the internal auditors, Directors and the executive managers within the HFEA who have responsibility for the development and maintenance of the internal control framework, and comments made by the external auditors in their management letter and other reports. I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by the Authority, the AGC, the SMT and the CMG. A plan to address weaknesses and ensure continuous improvement of the system is in place.

The HFEA approach to managing risk includes an organisation-wide process for reviewing risk and monitoring the implementation and effectiveness of management controls. This takes place at departmental level and through the SMT, the CMG, Standing Committees, the Authority itself and internal audit. The Authority reviews the effectiveness of risk management twice during the year, and receives a full report from the AGC at the year end.

The AGC is the main source of assurance to the Authority on the effectiveness of risk management, and receives a report on risk at each meeting. The format and content of the High Level Risk Register was reviewed during 2009 to ensure that the correct strategic risks were captured, and to include a tolerability threshold for residual risks, in order to provide an automatic trigger for additional controls to be developed as necessary. This Risk Register is also reviewed regularly by the Authority.

Directors and Departmental Heads are actively involved in ensuring that operational and high level strategic risks are identified and managed. Current risks and risk management processes are reviewed and considered by the CMG, supported by the Head of Business Planning.

## Hampton Review

During 2009/10, the HFEA was reviewed for its implementation of the Hampton Principles of reducing administration and effective inspection and enforcement. Compliance was assessed as good in some areas with scope for improvement in others and, overall, reflected the level of completion of Programme 2010 at that time. The work then underway had been substantially completed by 6 April 2010 when the remaining aspects of the 1990 Act (as amended) came into effect. The Authority recently agreed to form a working group of Members to assure itself that the main areas of improvement identified in the Hampton Review Report have been and are being effectively addressed by the Executive.

## Programme 2010 Evaluation

The Hampton Review working group is expected to report to the Authority during 2010. In addition it will be part of the information considered by an external review of Programme 2010 to be delivered as part of the 2010/11 Business Plan. This is intended to increase the assurance that the risks of the reorganised HFEA not having the capacity or capability to be an effective regulator are low. An internal end of project report was also prepared for Programme 2010 and will be fed into the external evaluation.

## Programme & Project Management

Programme and Project level controls are in place, with a Programme Officer appointed during 2009 to assist in the development of effective project management practice. Project and Programme Managers consider the risks associated with delivery of their objectives within each project and in a monthly Programme Board. All new pieces of work proposed must have a supporting Project Initiation Document (PID), which contains an analysis of the risks of doing and not doing the work. Project management templates were overhauled in early 2010 and several 'project geniuses' trained to PRINCE2 practitioner level. Finally, the role of project sponsor (usually a Director for high-profile projects) has been introduced to assist project managers both to 'keep their eyes on the ball' and to obtain necessary support from around the organisation in order to deliver the project objectives.

It is recognised that all staff must be involved in, and have some understanding of, risk management. The Head of Business Planning and other operational managers within the HFEA, particularly those serving on the CMG, are a key focus in developing this awareness.

Internal Audit has reviewed the management of key areas of work during the year. It has reported to the AGC that in respect of the arrangements made by the Authority and examined by it for the year to 31 March 2010 for risk management, control and governance and economy, efficiency and effectiveness, it found no fundamental weaknesses or deficiencies and was of the opinion that the Authority could rely on the arrangements in all material respects.

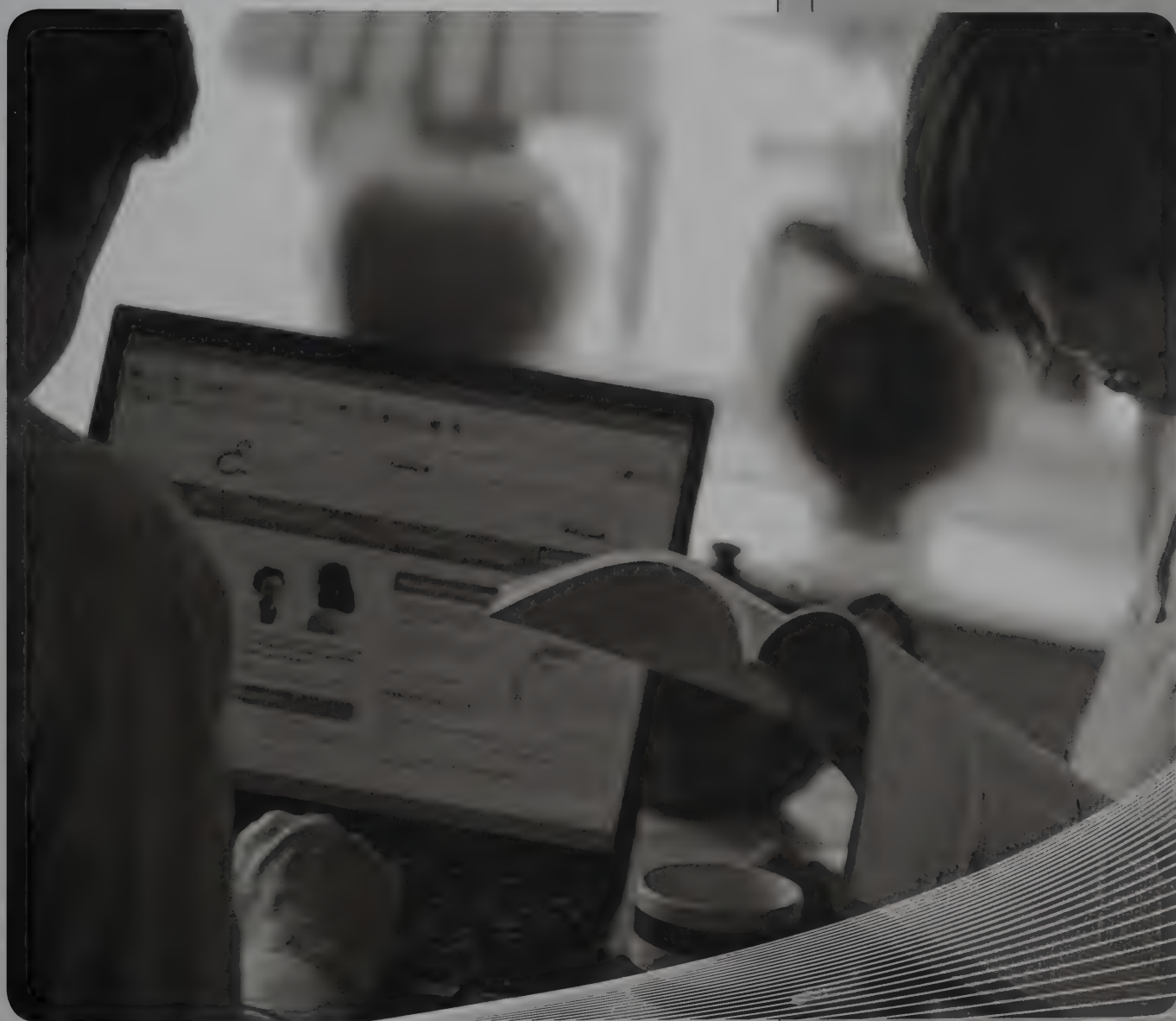
The corporate risk process now in place serves to highlight the interrelationships between key risks, and the importance of a co-ordinated approach to managing them.

*Alan Doran*

**Mr Alan Doran CB**

Chief Executive

29 June 2010







The Certificate  
and Report of the  
Comptroller and  
Auditor General to the  
Houses of Parliament



# The Certificate and Report of the Comptroller and Auditor General to the Houses of Parliament

I certify that I have audited the financial statements of the Human Fertilisation and Embryology Authority ("the Authority") for the year ended 31 March 2010 under the Human Fertilisation and Embryology Act 1990 (as amended). These comprise the Net Expenditure Account, the Statement of Financial Position, the Statement of Cash Flows, the Statement of Changes in Taxpayers' Equity and the related notes. These financial statements have been prepared under the accounting policies set out within them. I have also audited the information in the Remuneration Report that is described in that report as having been audited.

## Respective Responsibilities of the Accounting Officer and Auditor

As explained more fully in the Statement of Accounting Officer's Responsibilities, the Accounting Officer is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. My responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require me and my staff to comply with the Auditing Practices Board's Ethical Standards for Auditors.

## Scope of the Audit of the Financial Statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error.

This includes an assessment of: whether the accounting policies are appropriate to the Authority's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Authority; and the overall presentation of the financial statements.

In addition, I am required to obtain evidence sufficient to give reasonable assurance that the expenditure and income reported in the financial statements have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

## Opinion on Regularity

In my opinion, in all material respects the expenditure and income have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

## Opinion on Financial Statements

### In my opinion:

the financial statements give a true and fair view of the state of the Authority's affairs as at 31 March 2010 and of its net expenditure, changes in taxpayers' equity and cash flows for the year then ended; and

the financial statements have been properly prepared in accordance with the Human Fertilisation and Embryology Act 1990 (as amended) and directions issued thereunder by the Secretary of State.



## Opinion on other matters

### In my opinion:

the part of the Remuneration Report to be audited has been properly prepared in accordance with the Secretary of State's directions issued under the Human Fertilisation and Embryology Act 1990 (as amended); and

the information given in the management commentary and the unaudited part of the remuneration report, included within the Annual Report, for the financial year for which the financial statements are prepared is consistent with the financial statements.

### Matters on which I report by exception:

I have nothing to report in respect of the following matters which I report to you if, in my opinion:

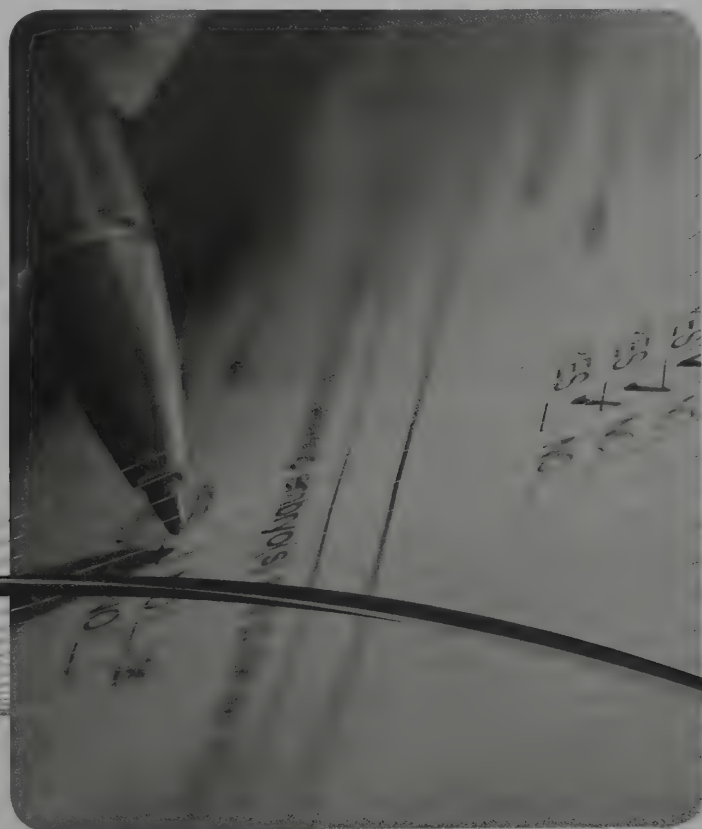
- adequate accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records or returns; or
- I have not received all of the information and explanations I require for my audit; or
- the Statement on Internal Control does not reflect compliance with HM Treasury's guidance.

## Report

I have no observations to make on these financial statements.

Amyas C E Morse  
Comptroller and Auditor General  
National Audit Office  
157-197 Buckingham Palace Road  
Victoria  
London SW1W 9SP

Date: 2 July 2010





Financial  
Accounts





# Annual Report and Accounts 2009/10

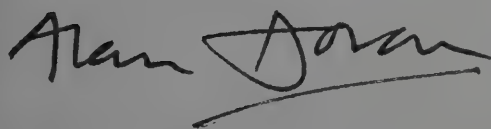
## Net Expenditure Account for the Year ended 31 March 2010

	Note	2009/10 £	2008/09 £
<b>Expenditure</b>			
Staff Costs	3	4,693,717	5,786,940
Depreciation	4	262,682	329,731
Loss on Disposal of assets	4	15,065	1,070
Other Expenditures	4	2,109,461	3,413,360
		7,080,925	9,531,101
<b>Income</b>			
Income from Activities	5	5,650,612	5,641,937
Other Income	5	16,072	119,405
		5,666,684	5,761,342
<b>Net Expenditure</b>		<b>1,414,241</b>	<b>3,769,759</b>
Cost of Capital	4	74,982	55,065
Interest Receivable		(895)	(20,892)
<b>Net Expenditure after Cost of Capital Charge and Interest</b>		<b>1,488,328</b>	<b>3,803,932</b>
Exceptional Item : Provision for Legal Costs Payable	12	0	210,000
Taxation		681	3,327
<b>Net Expenditure after Exceptional Item and Taxation</b>		<b>1,489,009</b>	<b>4,017,259</b>

The notes on pages 75 to 91 form part of these accounts

# Statement of Financial Position as at 31 March 2010

	Note	31 March 2010		31 March 2009		1 April 2008	
		£	£	£	£	£	£
<b>Non-current Assets</b>							
Property, Information Technology and Office Equipment	6	414,525		563,525		471,732	
Intangible Assets	7	28,193		54,940		178,256	
<b>Total Non-current Assets</b>			<b>442,718</b>		618,465		649,988
<b>Current Assets</b>							
Trade and Other Receivables	9	2,006,648		1,352,068		1,263,591	
Cash and Cash Equivalents	10	739,316		1,146,773		551,545	
<b>Total Current Assets</b>			<b>2,745,964</b>		2,498,841		1,815,136
<b>Total Assets</b>			<b>3,188,682</b>		3,117,306		2,465,124
<b>Current Liabilities</b>							
Trade and Other Payables	11	559,652		894,254		737,279	
<b>Total Current Liabilities</b>			<b>(559,652)</b>		(894,254)		(737,279)
<b>Non-current Assets plus Net Current Assets</b>			<b>2,629,030</b>		2,223,052		1,727,845
<b>Non-current Liabilities</b>							
Provisions	12	167,562		399,858		404,457	
<b>Total Non-current Liabilities</b>			<b>(167,562)</b>		(399,858)		(404,457)
<b>Assets less Liabilities</b>			<b>2,461,468</b>		1,823,194		1,323,388
<b>Reserves</b>							
General Reserve			<b>2,461,468</b>		1,823,194		1,323,388
<b>Total</b>			<b>2,461,468</b>		1,823,194		1,323,388



**Mr Alan Doran CB**  
Chief Executive  
29 June 2010

The notes on pages 75 to 91 form part of these accounts

# Statement of Cash Flows for the year ended 31 March 2010

		2009/10	2008/09
	Note	£	£
<b>Cash flows from operating activities</b>			
Net Surplus after cost of capital and interest		(1,488,328)	(3,803,932)
Adjustments for cost of capital charges	4	74,982	55,065
(Increase) in trade and other receivables		(654,580)	(88,477)
(Decrease) Increase in trade and other payables		(298,152)	118,998
Depreciation Charges		262,682	329,731
Loss on Disposals of non-current Assets		15,065	1,070
Taxation		(681)	(3,327)
Exceptional Item – provision for legal costs payable		0	(210,000)
Movement in provisions	12	(232,296)	(4,599)
<b>Net cash outflow from operating activities</b>		<b>(2,321,308)</b>	<b>(3,605,471)</b>
<b>Cash flows from investing activities</b>			
Purchase of property, computer and office equipment	6	(136,419)	(227,244)
Purchase of intangible assets	7	(2,141)	(35,112)
Proceeds of disposal of property, computer and office equipment		110	1,055
<b>Net cash outflow from investing activities</b>		<b>(138,450)</b>	<b>(261,301)</b>
<b>Cash flows from financing activities</b>			
Grants from parent department (Department of Health)		2,052,301	4,462,000
<b>Net financing</b>		<b>(407,457)</b>	<b>595,228</b>
<b>Net (decrease) increase in cash and cash equivalents in the period</b>	10	<b>(407,457)</b>	<b>595,228</b>
<b>Cash and cash equivalents at the beginning of the period</b>	10	<b>1,146,773</b>	<b>551,545</b>
<b>Cash and cash equivalents at the end of the period</b>		<b>739,316</b>	<b>1,146,773</b>

As at 31 March 2010 there were fixed asset accruals amounting to £6,909 (2008/09: £43,360)

The notes on pages 75 to 91 form part of these accounts



# Statement of Changes in Taxpayers' Equity for the year ended 31 March 2010

	Note	31 March 2010 £	31 March 2009 £	1 April 2008 £
<b>Balance at 1 April</b>		<b>1,823,194</b>	<b>1,323,388</b>	<b>1,437,112</b>
<b>Changes in reserves</b>				
Retained Deficit		(1,489,009)	(4,017,259)	(2,648,033)
Non-cash Charges – cost of capital	4	74,982	55,065	48,309
<b>Total recognised income and expense</b>		<b>(1,414,027)</b>	<b>(3,962,194)</b>	<b>(2,599,724)</b>
Grant from Department of Health		2,052,301	4,462,000	2,486,000
<b>Balance at 31 March</b>		<b>2,461,468</b>	<b>1,823,194</b>	<b>1,323,388</b>

## Notes to the accounts:

### 1. Statement of Accounting Policies

The HFEA's accounts are prepared in accordance with the provisions of the Human Fertilisation and Embryology Act 1990 (as amended) and an Accounts Direction issued by the Secretary of State for Health in June 2007.

The accounts are prepared in accordance with the accounting and disclosure requirements given in HM Treasury's Financial Reporting Manual (FReM), insofar as these are appropriate to the HFEA and are in force for the financial year for which the statements are prepared. The accounting policies contained in the FReM apply International Financial Reporting Standards (IFRS) as adapted or interpreted for the public sector context.

Where the FReM permits a choice of accounting policy, the accounting policy which is judged to be the most appropriate to the particular circumstance of the HFEA for the purpose of giving a true and fair view has been selected.

The particular policies adopted by the HFEA are described below. They have been applied consistently in dealing with items that are considered material to the Accounts.

#### (a) Accounting Convention

The financial statements are prepared under the modified historical cost convention by the inclusion of non-current assets at their value to the business by reference to current costs, where there is a material difference between historic cost and current replacement cost.

#### (b) Non-Current Assets

Non-current assets include property, information technology, and office equipment together with intangible assets which relate to constructed software and software licenses.

Only items, or groups of related items, costing £1,000 or more and with individual values over £250, are capitalised. Those costing less are treated as revenue expenditure.

Non-current assets are stated at their depreciated historical cost as the Authority considers this an appropriate basis for calculating their current value, after taking into consideration the estimated useful economic lives of the assets and their values.

The notes on pages 75 to 91 form part of these accounts

**(c) Depreciation and Amortisation**

Depreciation is provided on all non-current assets on a monthly basis from the date of acquisition at rates calculated to write off the cost of each asset evenly over its expected useful life.

Expected useful lives are as follows:

Leasehold improvements	Length of lease to next breakpoint
Information technology	3 years
Office equipment	4 years
Furniture, fixtures and fittings	4 years

Amortisation is provided on intangible non-current assets (which comprise constructed software and software licences) on a monthly basis at a rate calculated to write off the cost of each intangible asset over its expected useful life. The expected useful life of this software is 3 years.

**(d) Grant-in-Aid**

Grant-in-Aid received is used to finance activities and expenditure which supports the statutory and other objectives of the entity and is treated as financing and credited to the General Reserve, because it is regarded as contributions from a controlling party.

**(e) Operating Income**

Licence fee income is recognised at the time of treatment date. An estimate of the income for treatments provided by the clinics, but not reported to the HFEA at 31 March is accrued based on the historical data of the typical delay between the clinic providing the treatment to the patient and reporting the treatment to the HFEA.

Deferred income is recognised in respect of income for annual licence fees.

**(f) Operating Leases**

Operating leases are charged to the accounts on a straight line basis over the lease term.

**(g) Capital charges**

A charge, reflecting the cost of capital utilised by the HFEA, is included in the Expenditure Account. The charge is calculated at the real rate set by HM Treasury, currently 3.5% (2008/09 3.5%) of the average carrying amount of all assets less liabilities.

**(h) Pensions**

Past and present employees are covered by the provisions of the Principal Civil Service Pension Scheme (PCSPS). The defined benefit elements of the scheme are unfunded and are non-contributory except in respect of dependents' benefits. The HFEA recognises the expected cost of these elements on a systematic and rational basis over the period during which it benefits from employees' services by payment to the PCSPS of amounts calculated on an accruing basis. Liability for payment of future benefits is a charge on the PCSPS. In respect of the defined contribution elements of the scheme, the HFEA recognises the contributions payable for the year.

Further information in respect of Civil Service Pensions is provided in the Remuneration Report.

**(i) Disclosure of Fees and Costs Information**

In accordance with the principles of HM Treasury's *Managing Public Money* and Section 35B of the Human Fertilisation and Embryology Act 1990 (as amended), the Authority sets its regulatory fees with the objective of recovering the full costs of the primary regulatory services it provides.

There are some elements of the Authority's work that do not relate directly to the regulatory process, and the Department of Health accordingly contributes to the funding of these activities through the provision of annual Grant-in-Aid.

The key areas of work funded in this way are the maintenance of the Authority's Register of IVF and Donor Insemination (DI) treatments and their outcomes; policy development and communications; the production of publications (that do not relate to the regulatory process); and associated overhead and management costs.

Grant-in-Aid is also received for the purchase of IT, furniture and other office equipment.

Further information in respect of Grant-in-Aid received in the year is provided in the Statement of Changes in Taxpayers' Equity.

Further information in respect of fees income and related costs is provided in note 5(b) to these accounts.

#### **(j) Value Added Tax**

The Authority was not registered for VAT during financial year 2009/10.

#### **(k) Cash**

Cash is cash in hand and deposits with any financial institution repayable without penalty on notice of not more than 24 hours. The Authority manages its cash in accordance with the terms of its Financial Memorandum which is contained within the Authority's Management Statement.

#### **(l) Financial Instruments**

Financial assets and financial liabilities arise from the Authority's normal operational activities and are recognised in accordance with standard accruals accounting principles.

The Authority's financial assets comprise cash at bank and in hand, license fee debtors, balances with Central Government bodies, and other debtors.

The Authority's financial liabilities comprise trade creditors and other creditors.

The fair values of financial assets and liabilities are deemed to be their book values, unless there is appropriate cause to apply an alternative basis of valuation.

To date, the fair values of all financial assets and liabilities of the Authority are deemed to be their book values, and the Authority has not entered into any transactions involving derivatives.

#### **(m) Provisions**

Provisions are recognised when the Authority has a present legal or constructive obligation as a result of a past event, it is probable that the Authority will be required to settle the obligation, and a reliable estimate can be made of the obligation. The amount recognised as a provision is the best estimate of expenditure required to settle the obligation at the end of the reporting period, taking into account the risks and uncertainties.

### **2. First-Time Adoption of IFRS**

This is the first year of the full application of IFRS to the HFEA's Accounts.

As noted in the Accounts for 2008/09, some preparatory work for the introduction of IFRS commenced during financial year 2007/08.

No adjustments to the HFEA's reserves as at 1 April 2008 and 2009 are considered appropriate as no material amendments to the financial statements for 2007/08 and 2008/09 have arisen as result of the introduction of IFRS.

Where appropriate the figures noted in the Accounts for 2007/08 and 2008/09 have been reclassified under IFRS formats in the following financial statements.



### 3. Staff numbers and related costs

Staff costs comprise:		2009/10		
	Permanently Employed Staff	Members	Others	Totals
	£	£	£	£
Wages and salaries	3,231,460	150,746	512,580	3,894,786
Social security costs	227,018	11,337	71,974	310,329
Other pension costs	626,778	4,566	41,704	673,048
<b>Staff Costs</b>	<b>4,085,256</b>	<b>166,649</b>	<b>626,258</b>	<b>4,878,163</b>
Less recoveries in respect of outward secondments	(184,446)	0	0	(184,446)
<b>Total Net Costs</b>	<b>3,900,810</b>	<b>166,649</b>	<b>626,258</b>	<b>4,693,717</b>

Staff costs comprise:		2008/09		
	Permanently Employed Staff	Members	Others	Totals
	£	£	£	£
Wages and salaries	3,573,153	165,674	1,128,520	4,867,347
Social security costs	280,009	12,857	97,271	390,137
Other pension costs	612,165	7,752	95,670	715,587
<b>Staff Costs</b>	<b>4,465,327</b>	<b>186,283</b>	<b>1,321,461</b>	<b>5,973,071</b>
Less recoveries in respect of outward secondments	(186,131)	0	0	(186,131)
<b>Total Net Costs</b>	<b>4,279,196</b>	<b>186,283</b>	<b>1,321,461</b>	<b>5,786,940</b>

Other staff costs relate to staff employed on fixed term contracts together with agency and other temporary staff.

As noted in paragraph 1 (h) above, further information in respect of Civil Service Pensions is provided in the Remuneration Report on pages 47 to 56.

## Average number of persons employed

The average numbers of whole-time equivalent persons employed during the year were as follows:

	2009/10			2008/09		
	Permanent staff	Others	Total	Permanent staff	Others	Total
Directly Employed	74	8	82	82	5	87
Other	-	6	6	-	6	6
<b>Total</b>	<b>74</b>	<b>14</b>	<b>88</b>	<b>82</b>	<b>11</b>	<b>93</b>

The total for directly employed permanent staff includes 3 (2 in 2008/09) full-time equivalent staff seconded out of the Authority.

Other staff directly employed by the Authority relate to the full-time equivalent of staff on fixed term contracts.

Staff not directly employed by the Authority relate to staff on secondment to the Authority together with agency and other temporary staff.

## 4. Other Expenditure

	Note	2009/10	2008/09
		£	£
Other Running Costs		1,321,025	1,655,332
Professional & Administrative Fees	a	256,814	1,269,444
Rentals under operating leases		428,074	404,098
Audit Fees	b	103,548	84,486
<b>Other Expenditure</b>		<b>2,109,461</b>	<b>3,413,360</b>
<b>Non-Cash Items</b>			
Depreciation		262,682	329,731
Loss on disposal of assets		15,065	1,070
Cost of Capital charges		74,982	55,065
Provision provided for in the year		0	210,000
<b>Total</b>		<b>2,462,190</b>	<b>4,009,226</b>

Notes

- a. Professional and administrative fees include litigation and other legal costs arising during the year and in addition external support costs required for the completion of Programme 2010.
- b. The external audit fee from the National Audit Office (NAO) represents the cost for the audit of the financial statements carried out by the Comptroller and Auditor General. The NAO did not undertake non-audit work for the HFEA.

	2009/10	2008/09
	£	£
External Audit Fee	47,900	39,000
Internal Audit Fee	55,648	45,486
	103,548	84,486

5. Income

(a) Summary of Income

Gross income is made up of licence fee and other incomes which are recorded on an accruals basis.

Analysis of Income		
	2009/10	2008/09
	£	£
Licence Fee Income	5,650,612	5,641,937
Other Income	8,975	111,869
EU (EUSTITE) Project Funding	7,097	7,536
Total Income for the Year	5,666,684	5,761,342

Other income relates primarily to the provision of legal services through a service level agreement with the Human Tissue Authority which ended in May 2010. Further information in respect of these transactions is provided in note 16 (d) to these accounts.

(b) Fees and Related Costs

In accordance with Section 35B of the Human Fertilisation and Embryology Act 1990 (as amended), the Authority may charge fees in respect of its licensing activities.

For the purposes of providing information on fees and charges, these fees are calculated on a full cost recovery basis, in order that all costs incurred by the HFEA in the grant of and superintending of compliance with the terms of licences, are included in the final fees invoiced to the licensee. During the year to 31 March 2010, the licence fee income received by the HFEA represented the costs incurred in the granting of new licences and the regulation of licences in force for the period.



The fees and associated costs for these activities are summarised below.

	2009/10 £	2008/09 £
Licence Fee Income	5,650,612	5,641,937
Costs allocated to regulatory activities	4,880,944	5,699,027
Surplus / (Deficit)	769,668	(57,090)

In addition, there are elements of the Authority's work that do not relate directly to the above regulatory process. The Department of Health accordingly contributes to the funding of these activities through the provision of annual Grant-in-Aid. The balance of costs relating to these activities is funded from fees income.

This disclosure is provided for the purposes of providing information on fees and charges, not IFRS 8 purposes.

### (c) Operating Segmental Reporting

Under the definition of IFRS 8 the HFEA is a single operating segment as the UK's independent regulator of treatment using eggs and sperm, and of treatment and research involving human embryos, setting standards for, and the issue of licences to, centres together with the provision of information for the public and determining the policy framework for fertility issues.

## 6. Property, Information Technology and Equipment

	2009/10				
	<i>Leasehold Improvements</i>	<i>Information Technology</i>	<i>Office Equipment</i>	<i>Furniture &amp; Fittings</i>	<i>Totals</i>
	£	£	£	£	£
<b>Cost/valuation</b>					
At 1 April 2009	545,400	678,248	160,224	80,176	1,464,048
Additions	59,775	19,342	9,560	11,292	99,969
Disposals	(36,134)	(87,974)	(2,275)	(12,573)	(138,956)
<b>At 31 March 2010</b>	<b>569,041</b>	<b>609,616</b>	<b>167,509</b>	<b>78,895</b>	<b>1,425,061</b>
<b>Depreciation</b>					
At 1 April 2009	215,833	502,028	146,790	35,873	900,524
Charged in year	112,133	100,097	7,652	13,911	233,793
Disposals	(21,252)	(87,974)	(1,981)	(12,574)	(123,781)
<b>At 31 March 2010</b>	<b>306,714</b>	<b>514,151</b>	<b>152,461</b>	<b>37,210</b>	<b>1,010,536</b>
<b>Net Book Value at 31 March 2010</b>	<b>262,327</b>	<b>95,465</b>	<b>15,048</b>	<b>41,685</b>	<b>414,525</b>
Net Book Value at 31 March 2009	329,567	176,220	13,434	44,303	563,524
<b>Asset Financing</b>					
<b>Owned</b>	<b>262,327</b>	<b>95,465</b>	<b>15,048</b>	<b>41,685</b>	<b>414,525</b>

	2008/09				
	<i>Leasehold Improvements</i>	<i>Information Technology</i>	<i>Office Equipment</i>	<i>Furniture &amp; Fittings</i>	<i>Totals</i>
	£	£	£	£	£
<b>Cost/valuation</b>					
At 1 April 2008	379,934	715,429	154,829	51,452	1,301,644
Additions	165,466	48,344	8,557	40,086	262,453
Disposals	0	(85,525)	(3,161)	(11,362)	(100,048)
<b>At 31 March 2009</b>	<b>545,400</b>	<b>678,248</b>	<b>160,225</b>	<b>80,176</b>	<b>1,464,049</b>
<b>Depreciation</b>					
At 1 April 2008	170,057	478,578	139,001	42,276	829,912
Charged in year	45,775	107,470	10,950	4,340	168,535
Disposals	0	(84,021)	(3,161)	(10,741)	(97,923)
<b>At 31 March 2009</b>	<b>215,832</b>	<b>502,027</b>	<b>146,790</b>	<b>35,875</b>	<b>900,524</b>
<b>Net Book Value at 31 March 2009</b>	<b>329,568</b>	<b>176,221</b>	<b>13,435</b>	<b>44,301</b>	<b>563,525</b>
Net Book Value at 31 March 2008	209,877	236,851	15,828	9,176	471,732
<b>Asset Financing</b>					
<b>Owned</b>	<b>329,568</b>	<b>176,221</b>	<b>13,435</b>	<b>44,301</b>	<b>563,525</b>

## 7. Intangible Assets

	2009/10	
	Software Licenses £	Totals £
<b>Cost/valuation</b>		
At 1 April 2009	408,392	408,392
Additions	2,141	2,141
Disposals	(89,297)	(89,297)
<b>At 31 March 2010</b>	<b>321,236</b>	<b>321,236</b>
<b>Amortisation</b>		
At 1 April 2009	353,451	353,451
Charged for the year	28,889	28,889
Disposals	(89,297)	(89,297)
<b>As at 31 March 2010</b>	<b>293,043</b>	<b>293,043</b>
<b>Net Book Value at 31 March 2010</b>	<b>28,193</b>	<b>28,193</b>
Net Book Value at 31 March 2009	54,941	54,941
<b>Asset Financing</b>		
<b>Owned</b>	<b>28,193</b>	<b>28,193</b>

	2008/09		
	Software Licenses £	Constructed Software £	Total £
<b>Cost/valuation</b>			
At 1 April 2008	370,513	510,752	881,265
Additions	37,880	0	37,880
Disposals	0	0	0
<b>At 31 March 2009</b>	<b>408,393</b>	<b>510,752</b>	<b>919,145</b>
<b>Amortisation</b>			
At 1 April 2008	307,178	395,831	703,009
Charged for the year	46,275	114,921	161,196
Disposals	0	0	0
<b>As at 31 March 2009</b>	<b>353,453</b>	<b>510,752</b>	<b>864,205</b>
<b>Net Book Value at 31 March 2009</b>	<b>54,940</b>	<b>0</b>	<b>54,940</b>
Net Book Value at 31 March 2008	63,335	114,921	178,256
<b>Asset Financing</b>			
<b>Owned</b>	<b>54,940</b>	<b>0</b>	<b>54,940</b>



## 8. Financial Instruments

IFRS 7 requires disclosure of the role financial instruments have had during the period in creating or changing the risks an entity faces when undertaking its activities. Financial instruments play a much more limited role in creating or changing risk than would be typical of the listed companies to which IFRS 7 mainly applies. The Authority has no powers to borrow funds, and financial assets and liabilities are generated by day-to-day operational activities rather than being held to manage the risks facing the Authority in undertaking its activities.

### a) Liquidity Risk

73% of total gross income (including Grant-in-Aid) during the year was derived directly from the number of IVF and DI treatment cycles performed by the licensed clinics and reported to the HFEA, together with licences issued to clinics.

There are procedures in place to identify late and non-reporting of treatment cycles by clinics and also procedures for chasing up debts.

The remaining main source of revenue is derived from Government grants made on a cash basis.

Therefore, the HFEA is not exposed to significant liquidity risks.

### b) Investments and Interest Rate Risk

The HFEA follows an investment policy of placing any surplus funds on overnight deposit in an interest bearing bank account. The Authority's banking arrangements are risk assessed.

Gross interest income was 0.0001% of the total revenues of the HFEA (including Grant-in-Aid). HFEA is therefore not reliant on this income and is not exposed to significant interest rate risk.

### c) Credit Risk

The Authority receives most of its income from the clinics it regulates. It operates a robust debt management policy and, where necessary, provides for the risk of particular debts not being discharged by the relevant party. The Authority is therefore not exposed to significant credit risk.

### d) Financial Assets and Liabilities

The only financial asset held at a floating rate was cash at bank of £738,566. Petty cash held on site amounted to £750.

The fair value of the financial assets was equal to the book value.

As at 31 March 2010, none of the Authority's financial liabilities were carried at a floating rate.

The fair value of the financial liabilities was equal to the book value.

### e) Foreign Currency Risk

Consistent with previous accounting periods there were minimal foreign currency transactions conducted by the HFEA during the year ended 31 March 2010. There was therefore no significant foreign currency risk during the year.

## 9. Trade Receivables and Other Current Assets

	31 March 2010	31 March 2009	1 April 2008
	£	£	£
<b>Analysis by Type</b>			
Trade receivables – license fee debtors	527,270	501,233	469,170
Prepayments and accrued income	1,449,826	816,001	741,090
Other receivables	29,552	34,834	53,331
	2,006,648	1,352,068	1,263,591
<b>Intra – Government Balances</b>			
Other Central Government Bodies	619,800	46,455	19,170
NHS Bodies	535,834	473,040	225,157
<b>Total Intra – Government Balances</b>	<b>1,155,634</b>	<b>519,495</b>	<b>244,327</b>
Bodies External to Government	851,014	832,573	1,019,264
	2,006,648	1,352,068	1,263,591

Prepayments and accrued income include calculations of the fees due to be invoiced to clinics after the balance sheet date in respect of chargeable treatments undertaken before the balance sheet date.

Balances with other central government and NHS bodies include accrued income that can be directly attributed to them.

All debts were due for settlement within one year of the balance sheet date. No provision for bad or doubtful debts has been made as all debts are anticipated to be recoverable.

## 10. Cash and Cash Equivalent

	£
<b>Balance at 1 April 2008</b>	<b>551,545</b>
Net change in cash	595,228
<b>Balance at 31 March 2009</b>	<b>1,146,773</b>
Net Change in cash	(407,457)
<b>Balance at 31 March 2010</b>	<b>739,316</b>

All cash balances were held at Commercial banks and cash in hand.

The sum of £64,626 held on behalf of a consortium of NHS and Department of Health's ALBs is included in the cash balance held at 31 March 2010. This relates to a training and development programme, further information in respect of which is contained in note 16 b) to these accounts.

No cash equivalents were held by the Authority during the year.

## 11. Trade Payables and Other Current Liabilities

	31 March 2010 £	31 March 2009 £	1 April 2008 £
<b>Analysis by Type</b>			
Accruals and deferred income	491,408	612,653	633,908
Trade payables	628	207,688	51,804
Other taxation and social security	2,990	73,759	4,333
Other payables	64,626	154	47,234
	559,652	894,254	737,279
<b>Intra – Government Balances</b>			
Other Central Government Bodies	64,521	93,012	22,899*
Balances With Bodies External to Government	495,131	801,242	714,380
	559,652	894,254	737,279

All creditors were due for settlement within one year of the balance sheet date.

\* includes balances with NHS bodies of £10,341.



12. Provisions for Liabilities and Charges

	<i>Free Rent</i>	<i>Legal</i>	<i>Other</i>	<i>Early Retirement Costs</i>	<i>Total</i>
	£	£	£	£	£
<b>Balance at 1 April 2008</b>	50,457	318,000	36,000	0	404,457
Provided in the Year	0	210,000	0	151,092	361,092
Paid in the Year	0	(318,000)	(12,305)	0	(330,305)
Release of Provision for the Year	(11,691)	0	(23,695)	0	(35,386)
<b>Balance at 1 April 2009</b>	38,766	210,000	0	151,092	399,858
Provided in the Year	0	0	0	0	0
Paid in the Year	0	(88,754)	0	(11,520)	(100,274)
Release of Provision for the Year	(10,776)	(121,246)	0	0	(132,022)
<b>Total Provision for Liabilities and Charges</b>	<b>27,990</b>	<b>0</b>	<b>0</b>	<b>139,572</b>	<b>167,562</b>

Analysis of expected timing of payment or release of provisions

	<i>Free Rent</i>	<i>Early Retirement Costs</i>	<i>Total</i>
	£	£	£
During Financial Year 2010/11	10,776	11,519	22,295
During Financial Years 2011/12 – 2015/16	17,214	57,597	74,811
During Financial Years 2016/17 – 2020/21	0	70,456	70,456
<b>Total Provision for Liabilities and Charges</b>	<b>27,990</b>	<b>139,572</b>	<b>167,562</b>

The lease for the premises that the HFEA currently occupy included a rent free period. The rent reduction given through the rent free period is spread over the term of the lease, up to the first break clause in 2012.

As noted in the Financial Accounts for 2008/09, on advice from counsel, the further Judicial Review proceedings brought against the Authority in October 2007 were settled prior to a substantive hearing by way of a consent order. The HFEA agreed to pay the Claimant’s reasonable costs of the proceedings which were subject to assessment. On legal advice an interim payment of £100,000 was made during financial year 2008/09, and based on information then available a further provision for costs of £210,000 was made. During financial year 2009/10, a further and final payment of costs to the sum of £88,754 was agreed and the balance of the provision was written back against legal costs for the year.

The legal and professional fees of defending actions brought against the Authority are accounted for in the period in which they arise.

As noted in the Remuneration Report for financial year 2008/09, early retirement costs in the table above were provided in that financial year. No discounting has been applied to this residual sum during financial year 2009/10 on the basis that the net impact on the balance at the year end is not anticipated to be material.

13. Capital Commitments

	31 March 2010	31 March 2009
	£	£
Property, Information Technology and Equipment	0	47,528

14. Commitments Under Leases

Operating Leases

The HFEA is committed to the following operating lease payments :

	Rent*	Other	31 March 2010	31 March 2009
	£	£	£	£
Obligations under operating leases comprise:				
Total Future Minimum Lease Payments				
Payable :				
During Financial Year 2010/11	403,524	10,409	413,933	403,524
During Financial Years 2011/12 – 2015/2016	645,638	12,309	657,947	1,468,679
	1,049,162	22,718	1,071,880	1,872,203

\* to next break clause

### 15(a) Contingent Liabilities Disclosed under IAS 37

Details in respect of litigation undertaken against the Authority in recent years have been noted in the Annual Reports and Accounts for financial years 2006/07 to 2008/09 inclusive.

At the date of the finalising of these accounts, the Authority is not a party to any formal legal proceedings. The Authority regulates a sector that addresses some highly charged issues of both a personal and clinical nature, which may generate close scrutiny. Some of the projects and work that the Authority has undertaken as well as certain decisions that the Authority has made in 2009/10 may give rise to later challenge, including a risk of legal action.

### 15(b) Contingent Assets Disclosed under IAS 37

As noted in the Financial Report for 2008/09, in the first half of 2009, two High Court Orders for disclosure of documents were made against the Authority in relation to legal proceedings to which the Authority is not a party. The applicant of these proceedings was ordered to pay the Authority's costs of compliance with these disclosure orders. The Authority provided the disclosures requested and submitted its schedule of expenses for payment by the applicant. Whilst the Authority considered that the amount claimed represented its reasonable costs, the sum concerned was open to challenge by the applicant. No such challenge was received and the sum of £36,000 was received in relation to these costs during financial year 2009/10. This sum was credited against legal costs for the year.

The Authority also sought to reclaim professional fees incurred by the Authority during financial years 2006/07 - 2008/09 inclusive. As anticipated in the Financial Report for 2009/10, the claim brought by the Authority was settled through negotiation during financial year 2009/10 without recourse to court proceedings. The final sum in settlement was agreed at £400,000 and this was remitted by the Authority to the Department of Health. There was therefore no impact on the financial results of the Authority for the current year.

### 16. Related Party Transactions

The Department of Health is regarded as a related party. During the year the HFEA had various material transactions with the Department of Health and with some NHS Trusts for which the Department of Health is regarded as the parent Department.

- a) During the year the HFEA invoiced the Department of Health £221,070 for staff costs relating to the secondment of three members of staff; a contribution to the training and development programme organised by the Authority on behalf of a number of NHS and Department of Health ALBs; and staff travel and subsistence. Further information about the programme is contained in note 16 (b) below.

The Department of Health invoiced the Authority £382,744 during the year in respect of their secondment to the HFEA of four members of staff, including the interim Chief Executive.

At 31 March 2010, the HFEA did not owe any sum to the Department of Health, whilst the Department of Health owed the HFEA £66,154.

- b) During financial year 2009/10 the Authority co-ordinated a training and development programme for staff at management levels in the following NHS bodies and Department of Health ALBs : The General Social Care Council; the NHS Litigation Authority ; NHS Blood and Transplant ; the NHS Business Services Agency; The Health Protection Agency ; and NHS South West Strategic Health Authority. Contributions of £20,000 from all bodies bar NHS Blood and Transplant which contributed £25,000 were received. As noted in para. 16 (a) above the Department of Health contributed £35,000 and the Authority also contributed £20,000.

Costs totalling £115,374 arose in respect of the programme during the year and were settled by the Authority on behalf of the consortium.

The closing balance of net contributions of £64,626 is contained within these accounts. It is anticipated that this sum will be expended in full during financial year 2009/10 as the programme is scheduled for completion in autumn 2010.



- (c) The following Members of the Authority have senior management responsibilities at either NHS Trusts or private clinics that are regulated by the HFEA:

**Mr Hossam I Abdalla**, FRCOG - Director of the Lister Fertility Clinic. Fees invoiced by the HFEA to the Lister Hospital during the year amounted to £286,405. The balance on the Lister's account as at 31 March 2010 was £nil.

**Prof Christopher Barratt** - Scientific Director of Ninewells Hospital, Dundee. Fees invoiced by the HFEA to Ninewells Hospital during the year amounted to £55,523. The balance on Ninewells Hospital's account as at 31 March 2010 was £4,022.

**Prof Neva Haites** OBE - Vice-Principal and Head of College of Life Science and Medicine, University of Aberdeen. Fees invoiced by the HFEA to the University of Aberdeen during the year amounted to £60,111. The balance on the University of Aberdeen's account as at 31 March 2010 was £nil.

**Prof William Ledger** - Person Responsible for the Centre for Reproductive Medicine and Fertility, Sheffield. Fees invoiced by the HFEA to the Centre for Reproductive Medicine and Fertility during the year amounted to £70,006. The balance on the Centre for Reproductive Medicine and Fertility's account as at 31 March 2010 was £13,061.

**Mr Roger Neuberg** - Consultant Obstetrician and Gynaecologist at the Leicester Royal Infirmary. Fees invoiced by the HFEA to Leicester Royal Infirmary during the year amounted to £53,986. The balance on the Leicester Royal Infirmary's account as at 31 March 2010 was £6,793.

**Prof Lesley Regan** - Professor and Head of Department of Obstetrics and Gynaecology, St Mary's Hospital, Imperial College Health Care NHS Trust. Fees invoiced by the HFEA to St Mary's Hospital during the year amounted to £2,950. The balance on St Mary's Hospital's account as at 31 March 2010 was £nil.

At 31 March 2010, it was anticipated that there was, in addition to the sums noted above, some accrued income due from the above mentioned clinics. This sum is estimated in its totality, based on a global average of treatment reporting delays and the amount due from each clinic cannot be quantified precisely as at the date of signing these accounts.

- d) The Human Tissue Authority (HTA) is regarded as a related party for financial year 2009/10, as the Department of Health is the sponsor body for both HFEA and the HTA. There were a number of service level agreements for the provision of office support functions from the Authority to the HTA.

All bar one of the service agreements were terminated as at the end of 2008/09 with the final service level agreement between the two authorities ceasing operation during financial year 2009/10.

In total, £6,043 was invoiced to the HTA during the year and the balance on the HTA's account as at 31 March 2010 was £nil

- e) Mrs Clare J Lewis-Jones (formerly Brown) is the Chief Executive of Infertility Network UK. A payment of £161 was made to Infertility Network UK by the HFEA during the year for reimbursement of travel and subsistence expenses incurred by Mrs Lewis-Jones and other members of the organisation in respect of HFEA business.
- f) In the Annual Report all Members' interests are disclosed and Members are expected to declare any conflict of interest in discussions held by the Authority. A system to record conflicts of interests involving staff of the HFEA was implemented in September 2003.

## 17. Losses and Special Payments

No losses or special payments arose during the year.

## 18. IFRSs, Amendments and Interpretations in Issue but not yet Effective, or Adopted

International Accounting Standard (IAS) 8: Accounting policies, Changes in Accounting Estimates and Errors, requires disclosures in respect of new IFRSs, amendments and interpretations that are, or will be applicable after the reporting period.

There are a number of IFRSs, amendments and interpretations that have been issued by the International Accounting Standards Board that are effective for financial statements after this reporting period. The following have been considered as relevant but have not been adopted early by the HFEA:

### IFRS 9 Financial Instruments:

This is a new standard intended to replace IAS 39. The effective date is for accounting periods beginning on or after 1 January 2013.

### IAS 7 Statements of Cash Flow:

This amends the existing standard. The effective date is for accounting periods beginning on or after 1 January 2010.

### IAS 17 Leases:

This amends the existing standard. The effective date is for accounting periods beginning on or after 1 January 2010.

### IAS 24 Related Party Disclosures:

This amends the existing standard. The effective date is for accounting periods beginning on or after 1 January 2011.

### IAS 36 Impairment of Assets:

This amends the existing standard. The effective date is for accounting periods beginning on or after 1 January 2010.

None of these new or amended standards and interpretations are anticipated to have a future material impact on the financial statements of the HFEA.

In addition, the following are changes to the HM Treasury's FrM which will be applicable for accounting periods beginning on 1 April 2010:

### Chapter 8 Impairments:

This relates to the adaption of IAS 36 in respect of impairment of assets.

### Chapter 11 Income and Expenditure:

This requires the removal of cost of capital charging.

The change in Chapter 8 impairments is not anticipated to have a future material impact on the financial statements of the HFEA. Based on current year figures, the removal of the cost of capital charge would reduce Net Expenditure by £74,982.

## 19. Events after the Reporting Period

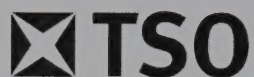
The date on which the accounts are authorised for issue is the date on which the accounts are certified by the Comptroller and Auditor General.











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